

Congressional Record

PROCEEDINGS AND DEBATES OF THE SIXTY-EIGHTH CONGRESS SECOND SESSION

SENATE

FRIDAY, January 2, 1925

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, Thou hast brought us safely through the past year. Many have been the experiences through which we have passed. We came to thank Thee for Thy graciousness, for Thy care, and for every manifestation of Thy goodness, and humbly beseech of Thee to sanctify what have been the experiences of the past year. As we enter upon the duties before us, enable us to realize dependence upon Thee. May we do justly, love mercy, and walk humbly with Thee. And so may our paths be always the paths of Thy choosing for our feet. Help us in every undertaking to honor Thee, to glorify Thyself and our country, and to make manifest to each one the blessings of peace and of good will toward all men. We ask in Jesus' name. Amen.

The reading clerk proceeded to read the Journal of the proceedings of Tuesday last, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

SENATOR FROM VIRGINIA

The PRESIDENT pro tempore laid before the Senate the certificate of the Governor of the State of Virginia, certifying to the election of CARTER GLASS as a Senator from that State for the term beginning on the 4th day of March, 1925, which was read and ordered to be filed, as follows:

COMMONWEALTH OF VIRGINIA.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1924, CARTER GLASS was duly chosen by the qualified electors of the State of Virginia a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1925.

In testimony whereof the Governor of Virginia hath hereunto signed his name and affixed the Lesser Seal of the Commonwealth at Richmond this 29th day of December, in the year of our Lord 1924, and in the one hundred and forty-ninth year of the Commonwealth.

[SEAL.]

E. LEE TRINKLE, Governor.
B. O. JAMES,
Secretary of the Commonwealth.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6353. An act to authorize the Postmaster General to grant sick leave to employees of the mail-equipment shops;

H. R. 6581. An act authorizing the Postmaster General to provide emergency mail service in Alaska; and

H. R. 10982. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1926, and for other purposes.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a memorial of sundry citizens of Jamaica, Vt., remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. WALSH of Massachusetts presented a resolution adopted by the Council of the City of New Bedford, Mass., protesting

against the proposed selling of the old New Bedford (Mass.) post office property at the corner of William Street and Acushnet Avenue, which was referred to the Committee on Post Offices and Post Roads.

Mr. FERRIS presented memorials of sundry citizens of Muskegon and Petoskey, all in the State of Michigan, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

He also presented a resolution of Adjutant Camp No. 40, United Spanish War Veterans, of Lansing, Mich., favoring the passage of House bill 5934, the so-called Knutson bill, providing increased pensions for Spanish War veterans and their dependents, which was referred to the Committee on Pensions.

Mr. MCKINLEY presented a memorial numerous signed by sundry citizens of Chicago, Ill., remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. SHORTRIDGE presented memorials of sundry citizens of Fort Bragg, Glendale, Hanford, Armona, Kings County, Los Angeles and vicinity, Marysville and vicinity, Orland, San Diego and vicinity, San Miguel, and Stockton, all in the State of California, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. CAPPER presented a memorial numerous signed by sundry citizens of Wichita, Kans., remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of sundry citizens of Smith County, Kans., praying for the passage of the so-called game refuge-public shooting ground bill, which was ordered to lie on the table.

Mr. WILLIS presented the memorial of B. A. Webb and 49 other citizens of Youngstown, Ohio, and vicinity, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES

Mr. LADD, from the Committee on Commerce, to which was referred the bill (S. 3639) granting the consent of Congress to the Harrisburg Bridge Co. and its successors to reconstruct its bridge across the Susquehanna River at a point opposite Market Street, Harrisburg, Pa., reported it with an amendment and submitted a report (No. 830) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

A bill (S. 3643) authorizing the construction of a bridge across the Ohio River between the municipalities of Ambridge and Woodlawn, Beaver County, Pa. (Rept. No. 831); and

A bill (S. 3649) to extend the time of the Chicago, Milwaukee & St. Paul Railroad for completion of bridge across the Mississippi River (Rept. No. 832).

Mr. REED of Pennsylvania, from the Committee on Territories and Insular Possessions, to which was referred the bill (H. R. 5558) to authorize the incorporated town of Juneau, Alaska, to issue bonds in any sum not exceeding \$200,000 for the purpose of improving the street and sewerage system of the town, reported it with amendments and submitted a report (No. 833) thereon.

Mr. WILLIS, from the Committee on Territories and Insular Possessions, to which was referred the bill (S. 3714) to authorize cooperative agreements between the heads of the executive departments and the Governor of the Territory of Alaska, reported it with amendments and submitted a report (No. 834) thereon.

He also, from the same committee, to which was referred the bill (H. R. 5096) to authorize the incorporated town of Sitka, Alaska, to issue bonds in any sum not exceeding \$25,000 for the purpose of constructing a public-school building in the town of Sitka, Alaska, reported it without amendment and submitted a report (No. 836) thereon.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 6353. An act to authorize the Postmaster General to grant sick leave to employees of the mail-equipment shops; and

H. R. 6581. An act authorizing the Postmaster General to provide emergency mail service in Alaska; to the Committee on Post Offices and Post Roads.

H. R. 10982. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1926, and for other purposes; to the Committee on Appropriations.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 3785) to authorize the erection of a Veterans' Bureau hospital in Portland, Oreg., and to authorize the Director of the Veterans' Bureau to accept by donation a site for said hospital; to the Committee on Appropriations.

By Mr. DALE:

A bill (S. 3786) granting an increase of pension to Clara G. Cole; and

A bill (S. 3787) granting an increase of pension to Flora Drugg; to the Committee on Pensions.

By Mr. EDGE:

A bill (S. 3788) granting a pension to Arthur H. Watson; to the Committee on Pensions.

A bill (S. 3789) to remit the duty on a carillon of bells to be imported for Grace Church, Plainfield, N. J.; and

A bill (S. 3790) to remit the duty on a carillon of bells imported for St. Peter's Church, Morristown, N. J.; to the Committee on Finance.

By Mr. GREENE:

A bill (S. 3791) granting a pension to Emily E. Warren; to the Committee on Pensions.

By Mr. CUMMINS:

A bill (S. 3792) to amend section 81 of the Judicial Code; and

A bill (S. 3793) to authorize the appointment of commissioners by the Court of Claims and to prescribe their powers and compensation; to the Committee on the Judiciary.

By Mr. SHIPSTEAD:

A bill (S. 3794) providing for a per capita payment of \$100 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States; to the Committee on Indian Affairs.

By Mr. HARRELD:

A bill (S. 3795) granting a pension to Annie R. C. Owen; to the Committee on Pensions.

A bill (S. 3796) to amend section 101 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. McKINLEY:

A bill (S. 3797) for the relief of S. K. Truby; to the Committee on Claims.

A bill (S. 3798) granting an increase of pension to Elizabeth L. Page; to the Committee on Pensions.

A bill (S. 3799) authorizing the Postmaster General to permit the use of precanceled stamped envelopes; to the Committee on Post Offices and Post Roads.

By Mr. SHORTRIDGE:

A bill (S. 3800) for the relief of C. P. Dryden; to the Committee on Claims.

A bill (S. 3801) for the relief of Donald E. Beat; to the Committee on Naval Affairs.

By Mr. SPENCER:

A bill (S. 3802) granting a pension to Mary E. Sloan (with accompanying papers);

A bill (S. 3803) granting an increase of pension to Ann E. McKinnon (with an accompanying paper);

A bill (S. 3804) granting an increase of pension to Salina M. Harriman (with an accompanying paper);

A bill (S. 3805) granting an increase of pension to Margaret A. Belrel (with an accompanying paper);

A bill (S. 3806) granting an increase of pension to Sarah E. Tripp (with an accompanying paper);

A bill (S. 3807) granting an increase of pension to Huldah A. Hudson (with an accompanying paper);

A bill (S. 3808) granting an increase of pension to Susanna Berry (with an accompanying paper);

A bill (S. 3809) granting an increase of pension to Mary E. Hollingsworth (with an accompanying paper);

A bill (S. 3810) granting an increase of pension to Mary A. McCaw (with an accompanying paper);

A bill (S. 3811) granting an increase of pension to Mary J. Moore (with an accompanying paper);

A bill (S. 3812) granting an increase of pension to Caroline S. Hunt (with an accompanying paper);

A bill (S. 3813) granting an increase of pension to Harriett E. Helton (with an accompanying paper);

A bill (S. 3814) granting an increase of pension to Delila Sego (with an accompanying paper);

A bill (S. 3815) granting an increase of pension to Melissa J. Jaques (with an accompanying paper); and

A bill (S. 3816) granting an increase of pension to Frank S. Sinclair (with an accompanying paper); to the Committee on Pensions.

By Mr. BALL:

A bill (S. 3817) to amend an act regulating the height of buildings in the District of Columbia, approved June 1, 1910, as amended by the act of December 30, 1910; to the Committee on the District of Columbia.

By Mr. WADSWORTH:

A bill (S. 3818) authorizing the construction of additional facilities at Walter Reed General Hospital in the District of Columbia; to the Committee on Military Affairs.

By Mr. BURSUM:

A bill (S. 3819) granting an increase of pension to Candelaria G. Mares; to the Committee on Pensions.

By Mr. FERNALD:

A bill (S. 3820) granting a pension to Chastena H. Haskell (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3821) granting an increase of pension to Carrie M. Fuller (with accompanying papers); to the Committee on Pensions.

By Mr. NEELY:

A joint resolution (S. J. Res. 161) authorizing the Secretary of War to lend to Berkeley Post, No. 14, cots, bedding, and camp equipment, including tentage, for the use of the State encampment of the American Legion to be held at Martinsburg, W. Va., in August, 1925; to the Committee on Military Affairs.

By Mr. WARREN:

A joint resolution (S. J. Res. 162) providing for the appointment of a commission to consider and report to Congress ways and means of establishing within the Pension Office Building a war memorial (with accompanying papers); to the Committee on the Library.

By Mr. SPENCER:

A joint resolution (S. J. Res. 163) to accept donations of historical furniture and furnishings of the correct period for use in the White House; to the Committee on the Library.

INTRACOASTAL WATERWAY ACROSS FLORIDA SECTION (S. DOC. NO. 179) AND WATERWAY FROM CHARLESTON, S. C., TO SAVANNAH, GA. (S. DOC. NO. 178).

Mr. JONES of Washington. Mr. President, I have reports from the War Department on two resolutions by the Commerce Committee with reference to river and harbor projects made pursuant to law, which I ask may be printed and referred to the Committee on Commerce.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

CLAIMS OF COWLITZ TRIBE OF INDIANS

Mr. JONES of Washington. Mr. President, on Tuesday last the bill (S. 2557) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Cowlitz Tribe of Indians may have against the United States, and for other purposes, was a second time passed by the Senate. The bill had already passed the Senate and is now in conference, so it ought not to have been upon the calendar. I therefore ask unanimous consent that the votes by which the bill was ordered to a third reading and

passed may be reconsidered and that the bill may be indefinitely postponed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington? The Chair hears none, and the votes by which the bill was read the third time and passed are reconsidered, and the bill is indefinitely postponed.

PROPOSED INVESTIGATION OF TARIFF COMMISSION PROCEEDINGS

Mr. ROBINSON. Mr. President, I submit a resolution and ask that it be read and lie over under the rule.

The resolution (S. Res. 289) was read, as follows:

Whereas the United States Tariff Commission has filed its findings with the President in the sugar investigation conducted by that commission under the flexible provisions of the tariff act of 1922, otherwise known as section 315 of that act; and

Whereas the President, after prolonged delay, has thus far failed to act on such findings of the commission; and

Whereas the press has reported that the President has felt so embarrassed by an alleged deadlock in the United States Tariff Commission and the alleged failure of members of that commission to agree upon findings in the sugar investigation, that the President is planning a change in the membership of the commission to assure unanimity in the views of the members of said commission; and

Whereas the act creating the United States Tariff Commission does not necessarily contemplate unanimity in the views of the members of the commission, but on the contrary expressly provides that not more than three members of the commission shall be of the same political party, to the end in part that the membership of the commission shall be representative of diverse economic views and measurably free from affiliation with any special interests which may seek tariff favors; and

Whereas notwithstanding the charge that the United States Tariff Commission is not functioning under the so-called flexible tariff provisions, because of a deadlock among its members, the President has repeatedly proclaimed increases upon rates of tariff following the receipt of various findings of fact prepared by the said commission; and

Whereas it is not in the interest of good public service or sound public policy for the members of the United States Tariff Commission, as an independent agency, to be officially subjected to pressure to accommodate their views of the law under which they operate, to the views of others, except as the law itself may so require: Now therefore be it

Resolved, That the Committee on Finance, or any subcommittee thereof be, and they are hereby, authorized to investigate forthwith any and all proceedings of the United States Tariff Commission, and any pressure, from whatever source, brought to bear on any members thereof in connection with said sugar investigation, or other investigation, with a view to recommending proper legislation and to report as early as possible during the present session their findings to the Senate, together with such recommendations as they may deem appropriate.

The PRESIDENT pro tempore. The resolution will go over under the rule.

Mr. KING. Mr. President, not having heard all of the resolution read, I would like to ask the able Senator from Arkansas whether it would comprise an inquiry as to whether there had been Executive pressure brought upon members of the Tariff Commission to induce them to make certain findings or certain recommendations.

The PRESIDENT pro tempore. If the Senator from Utah desires, the resolution may be read again.

Mr. ROBINSON. The Senator from Arkansas can answer the question of the Senator from Utah. The resolution provides that the inquiry shall embrace pressure from whatever source, which includes all sources.

Mr. KING. I am very glad that it is so comprehensive.

HERBERT QUICK ON "THE REAL TROUBLE WITH THE FARMERS"

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Record certain extracts from a book by Herbert Quick, entitled "The Real Trouble with the Farmers." I make this request with the permission of the publishers, the Bobbs-Merrill Co.

The PRESIDENT pro tempore. Without objection it is so ordered.

The matter referred to is here printed as follows:

THE VAMPIRE OF THE FARMER

I have just mentioned that which I regard as a basic but generally ignored fact, that through the artificial control of prices by the trusts, monopolies and combinations which fix the prices of most of the things we consume, the rent of town and city property gets into the cost of living. This seems to be a violation of the economic law of

rent, and will be disputed by most of the economists; but I think that the clear thinker when he looks at the matter earnestly will see that it is true. And the economists will see when they study the matter without prejudice, that it does not repeal Ricardo's law. It is perhaps the most important subject for economists to investigate.

These are city values. They are mainly land values. It is the site of a store in the main which establishes the rent, and not the cost of the building. No matter how good any building may be in any city, its rents go down as soon as the location becomes bad.

When we come to land values—which is another term for what the economists call rent—we come to the vampire which is really the basic troubles with the farmers. I have never seen in any discussion of the depression of the farmers an intelligent recognition of this, on the part of any of the men who are proposing remedies for Congress or the State legislatures. Those who know the truth dodge it. Yet, no man who knows the situation can fail to see it when it is once called to his attention.

We are all the time discussing the farmers as if they were all in the same boat. In a manner they are, but in the distress and bankruptcy and enslavement of themselves and their wives and children, they are as much separated into classes as are the people in the cities made up of those who ride in their limousines and those who tramp the pavements, those who live on the heights and those who dwell in the slums. There are many rural slums.

There was never a time within my memory when so many newspapers and periodicals were sending out so many writers as now to find out what the farm situation is. There is a general feeling that it is "big news," related to a sense of stress and anxiety. It is time that anxiety should be felt. The danger is that it is already too late to find a remedy short of revolution.

None of these writers, so far as I know, has seen the real trouble. Yet most of them—North, South, East, and West—keep writing over and over again, from one locality after another, "The farmers here are becoming more hopeful. They are losing on wheat (or some other crop), but they are making a little money on wool (or something else). They say they are going to diversify in the future, putting more of their lands in grass and raising more stock. But the tenant farmers are up against it."

And so they go on, ignoring the fact that farm tenantry has increased until it is the controlling factor in the condition of the farmer. It controls the majority of the farms in most of our richest farming districts. When to the proportion of farms under tenantry is added the other farm areas which are mortgaged for all the security will justify, and the owners of which are in effect if not in law merely tenants, it embraces a vast majority of the farms of the United States. There can be no doubt that it includes more than three-fourths of them if production be considered, for it is a fateful fact that the richer the land and the higher the price, the easier it is to secure mortgage loans, and the harder it is to clear these off after they are once placed. Let us examine this.

The political upheavals of the future will come from the development of what the socialists call "class consciousness." There is little of this class consciousness now as between farmer and farmer, or even farmer and landlord, in the United States.

Some of the "blanket toters" who do the seasonal labors on farms belong to the I. W. W. They are developing a rabid class consciousness. There seems to have been something in the way of a tenant revolt in Iowa, Minnesota, Oklahoma, Texas, and some other States in recent elections, which affected the result. In the main, however, in the United States, farm tenants and those who are bled white by their mortgages, while they feel discontent and often despair, hold to their old political ideas, so far as they hold to any.

But class consciousness is coming. It is, in fact, here. When it has its threatened increase, look out for bitter attacks on existing institutions. At present the despair of the submerged third or half in the country has largely taken the form of migrations. The negro tenants are leaving the South. The burnt-out farmers of the drought-stricken districts of Montana are another instance. They have lost their farms by thousands. They have, I am informed, many of them gone to the Pacific Coast to get work. They have joined the proletariat. They are victims of the high land values which drove them out upon other lands from which they could not make a living because of the climate. They must become farm tenants or town laborers. An old Roman writer informs us that similar causes ruined Rome.

Farm tenantry increases with such alarming rapidity because land grows so valuable that a poor man can not buy it and pay for it.

If you were to throw out into the passing crowd a handful of diamonds, they would in the main be picked up by poor people. But who would have them in a week or month? The answer is obvious. They would pass into the hands of people able to wear diamonds.

Farms in good farming regions have become more precious than diamonds. They are not for people in even moderate circumstances as working people go. Lands on which I lived in my boyhood, and which sold for \$5 an acre, have been sold in recent years for \$500 an acre. Yet I remember when young men used to buy these lands

after saving their wages as month hands on farms for two or three years, and equipping themselves each with a team and wagon—buy them and in a comparatively short time pay off the small mortgage. They would be laughed at for trying to do this now.

Rich people in country towns and cities bid with unvarying success against the "dirt farmer" for the ownership of farms. Farm ownership brings social distinction to such town dwellers. As with diamonds, they like to wear a necklace of farms about their necks. And, moreover, they can buy farms knowing that every increase in population or progress in society will make the property more valuable.

When the owning farmer dies the value of the lands he has owned sends his children to town, in part, or on the other hand plunges them into debt. One will buy the farm and be submerged in debt, and the others move to town and are lost to farming. Or they will all refuse to take on the burden of the farm, and the land will be added to some landlord's necklace of farms.

Thus our rural life is becoming Mexicanized—in the old Mexican sense. Our rural dwellers become more and more subject to our rental system—which is the worst in the world.

Rising land values operate in another way to spread the blight of farm tenantry. When a farmer, who has been a working one, finds that he can rent his farm and move to town, he is naturally inclined to do so. He has done so by the million in the United States. This swells the population of the villages, towns, and cities, and such regions as Florida and the Pacific coast, with "retired farmers" who, in the main, having ceased to be farmers, are not fitted for city life. They are idle, and not fit for idleness; or they engage in city business for which they are not equipped. They have as a rule small incomes derived from rents, and of all landlords they must in the nature of things be the most grasping and rack-renting.

I have said that our rental system is the worst in the world. I think there may be some which are as bad, but none worse. Most of it is far, far worse than that of Ireland in the days when we wept for the Irish tenants. It is beyond comparison worse than that of Germany or England or Scotland or Italy. In order to find a rental system as bad as ours one would have to go to the Poland or Russia of the years before the war. Since the war I do not believe there is a country in Europe which has not reformed its tenant system so as to give the tenant some rights in law as a tenant beyond those conceded to him by the landowner.

Rack-renting is a word which, to our minds, means oppression and poverty to the farm tenant. Rack-renting is a system in which the landlord has the legal right to get as much rent for his land as he can. We have learned to hate the idea, because English literature is full of condemnation of rack-renting as the ultimate of oppression. The reader may be shocked at the application of this word to our land system in free America.

And yet the only system of farm tenantry we have in America is based on the severest of rack-renting principles. The rent, as to amount, manner of payment, and time of tenure depends on the contract made between the landlord and tenant. The landlord's word is law in the case.

The American reader may be surprised that any other system should ever be thought of. Yet all the enlightened civilizations of history which had farm tenantry had to modify rack-renting. If they were to be free governments, they had to get rid of rack-renting. When land becomes scarce and high rack-renting crushes the underlying population. It is destroying ours. It is driving from the farms to the cities the people with enterprise enough to move or forcing them out into sterile or arid or remote regions where they can not hope to prosper. This, finally, will leave in our best agricultural regions only the shiftless, the crushed, the ones who accept a mere living as the rewards of their labor, and who all the time compete with each other to make this mere living lower in scale.

It is Mexicanizing the United States. It is filling the country with people on the peon scale of living.

Compare our tenants with those in Germany before the war. The Emperor once wanted for his private use a certain farm which he owned. He notified the tenant to move. There was no lease which the tenant could cite to give him the right to stay; but there was the law and immemorial usage. He fought the Emperor in the courts, and the monarch gave way to law and custom.

In rack-renting America the tenants have no rights save what the landlord vouchsafes them. We grew into this while land was cheap. We must change it or we must somehow have cheap land again.

HOW THIS VAMPIRE SUCKS BLOOD

About three years ago I visited, after many years of absence, my native county in Iowa. Two farmers were settling up a deal for 320 acres of farm land—a half section of land which was sold in my boyhood for \$5 an acre—and this perhaps on grain payments instead of for money.

There had been a farm-land boom. The buyer, a dirt farmer, had paid a preliminary payment of \$30,000. The boom broke and he could not take the land. He was deeding it back and losing his \$30,000. The vendor had moved to town and did not want to take it back. He

thought the buyer ought to lose more than his \$30,000. They were dickering to determine how much more he should pay to cancel the deal. It was finally settled on the basis of his paying \$7,500 more. He lost \$37,500 and did not get any land.

I forget what the purchase price was to have been, but I believe it was \$100,000, or \$500 an acre—a not uncommon price in the mid-West then. So this land, on the value of which the farmer must earn interest if he prospers, had increased in value a hundred times within my memory. It is so in a less degree wherever lands are rich and easily tilled. Even the mountain lands, the rocky farms, and those low in fertility or covered with stumps, and land in regions of scanty rainfall, have steadily gone up and up in value.

As our frontier moved westward, it gradually and imperceptibly spread out into the semiarid country which was formerly called the Great American Desert. This great region extends from Mexico to Canada, and is the great trap and pitfall of the American farmer. Land values have risen all over the arable portions of the country, and on economic values have been piled speculative values. The farmers squeezed out of the good lands by advancing values, or tempted by the apparent profits of sale, have migrated by hundreds of thousands out upon these lands, which are fundamentally unfit for cultivation. They seem to the farmer from farther east to be cheap. Actually they are as dear as any farm lands in the United States. It is not that they are not fertile. When they are supplied with moisture they are among the most fertile lands we have. But seven years out of ten they are cursed by drought. It would be far better if they were blessed with it the other three years out of the ten, for then our home-seekers would not be lured out upon them. But their climate is not only normally deficient in rainfall, but it has sharp deviations from the normal. In three years out of ten it has, unfortunately, rainfall enough for good crops.

It is naturally a fine grazing land, all the way from the Rio Grande to the Canadian line. But its capacity for sustaining livestock is, on account of the climate, so small that under a proper land system it would have little or no economic value even for grazing. It would be just about worth fencing. It would pay little if any tax or rental, and at its worst, none at all. This small value would increase by degrees as one approaches the line of sufficient rainfall. But if our good lands were fully occupied, there would be no need for anyone to go out on these lands to grow crops. They would revert again to grass. Over them would range again great herds of livestock to furnish meats for the people and prosperity to their owners. Scattered about would be strips of irrigated lands maintaining dense populations of prosperous farmers, who would, among other things, grow vast crops of winter feed for the range cattle and supplies for carrying the stock through the drier seasons. The lands would again be used for their proper purposes, and the sufferings of those who are fighting against inevitable defeat to make farms out of ranges would end.

The success that some of these people have attained in this struggle has been as remarkable as their failures have been tragic. On the whole these semiarid plains, however, are, and must be under our present land system, the sorest spot in our agricultural life. Over and over again these people have had to have aid from the Government. Over and over again this aid has been wagered against a game in which the percentage is against the player in the ratio of seven to three. Over and over again have the losses come, and the touching scenes have been witnessed of the ruined farmers with their families in their vehicles, looking out over their parched fields and wondering which way to go now. They are at the end of things. They have been lured by the treachery of a fertile soil and a deluding climate out over the rim of the cultivable world. There is for them no longer any West, and the East is all owned and monopolized. They know nothing but farming, and farming now open to them takes capital even for a tenant. The drought has sucked the moisture from their flesh, the juice of hope from their spirits, and dried up the capital in their bank accounts. The thing which has done this thing to them is land monopoly and land values. There is no such thing any more as cheap land in the United States. That which seems cheap is dear at any price and ought to bear no price.

This is the great factor which makes farming unprofitable in the United States. The state of things in Canada is almost identical with ours, except that Canada has a great extent of arable lands which are occupied, but are so far north as to be unfitted for our average farmer.

The National Bank of Commerce of New York has published statistics showing that our farm population in 1922 was decreasing at the rate of 400,000 a year—and yet there are those who desire to open up new lands. But no matter how cheap the new lands may be, the working farmers will surely desert them when they get so high in price that workingmen can not afford to buy or hold them.

The tendency of rising land values is to absorb all the fruits of labor except a mere living for him who produces. A recent survey by the Department of Agriculture shows that of 6,000 farms of "more than average size," the average value was \$16,400. This survey

could not have included many mid-West or other very rich farms. But it showed that even in these farms the average "real estate" value was \$13,600. All these farmers had been able to save which could be spent or consumed, all their machinery, equipment, livestock, money, etc., was worth on the average only \$2,800 each. And as farmhouses and buildings are not very valuable as a rule, it is clear that the bulk of the real-estate values are land values.

Dr. Alonzo E. Taylor recently stated that—

"Our land has become expensive, while land in Canada for wheat purposes is still cheap; * * * It is going to be cheaper for Europe to buy the wheat grown on such land than to buy the wheat grown on the more expensive land of the United States."

As a matter of stern economic fact, however, Canadian lands, no matter what their price, are as dear as ours.

This supports my statement that the vampire which sucks the blood of American farmers is land values. Guaranty of prices by law, high prices established by any means whatever, will do no good. Every cent of such increase will be sucked up in rising land values. Tenants under such artificially heightened prices would have to pay more rent at once.

The same thing is true of the benefits of any agricultural tariff which works. We see this in the tobacco lands of Connecticut which happen to get some benefit from the present tariff. They are reported to have boomed in price up to from \$5,000 to \$10,000 an acre—quite out of the reach of the poor man. We thus, by such a tariff, merely give more strength to the vampire. This would not help the patient if it were general. It would make him worse because it would generate land booms. If there is any way out it does not lie through the artificial boosting of farm prices.

All the advice which is given the farmers, by experts and others, seems to be based on the erroneous assumption that the people in the deepest trouble own their farms and control their own farming operations. This is an error.

Farmers are advised to hold their crops. But the farm tenant or the overmortgaged man is pressed to sell either by the demands of the landlord or by those of the mortgage, or by the essential poverty of his situation. He often has no storage facilities, and can not have them. He is not his own master.

He is told to diversify, to raise most of what he needs, to have something to sell every week or every month. But the tenant farmer is usually forced to do as his landlord says. Tenant farmers have written me asking what they should do when the landlord insisted on their growing wheat or tobacco or cotton and refused to allow diversification. And I could suggest no way for them to enter upon a course of real farming and home making.

Farmers are urged to cooperate; and this they are doing increasingly; but the growing percentage of tenant farmers makes efforts at cooperation more and more difficult of success.

Secretary Wallace urges farmers to till only so much land as they can take care of with their own labor, to hire as little help as possible, and to reduce expenses. But the rent is irreducible. It tends always to increase. It has its inevitable tendency under land monopoly to take from the man who owns no land all he can produce beyond what will give him a mere living, and that living it tends to make scantier from decade to decade.

And all the time this passing of the land into the hands of people rich enough to own high-priced land is causing the average size of farms to increase. They are growing larger and larger. Statistics show this. Anyone who will after a term of years visit a farming region almost anywhere can see it with his own eyes.

When I was a lad my father lived on an 80-acre farm. On three sides of this were other 80-acre farms. One farm removed on the west was a 40-acre farm. All these people lived comfortably, as farm life goes, on these small farms. Recently I visited the old home, after an absence of 40 years. It is now the center of a farm of 320 acres, worth from \$100,000 to \$150,000. Its owner lives in town—I think not in the State, even. It lacks all the flowers, shrubs, fruits, and other "diversifications" which it had when I had lived there. It is merely a corn, hog, wheat, and cattle farm. The place looks desolate and miserable. The schoolhouse is the same building we had 50 years ago.

We know that our rural schools, improved as they have been in many places, are in the main bad copies of poor city schools. Rural schools might be the best in the world. The study of farm life and farm processes and problems is in itself a liberal education. But to give good educations to the children of farm tenants under our rack-renting system is to offer the thirsty soul the divine cup and then dash it from the parted lips. In farm neighborhoods where the tenancy system is in such prevalence as we find it over more and more of this Nation, the population is too shifting to give the children of the tenants any but the most inferior educational opportunities. Those of them who secure the better educations will be unlikely to stay in the country as farm tenants. The smoke of the factories, the roar of the street cars call, and they go. Rural population decays.

MAKE LAND CHEAP ONCE MORE

Let me repeat, the vampire which sucks all the blood left in farming after everything has been done for it which can be done is the high and rising price of land. In a nation like ours, this must go on unless a remedy is found. Even economic rent increases with population and progress, and to this our system adds speculative rent. People who can afford to own high-priced farm land are willing to take low returns from it, or even to take losses, which may be subtracted from income tax, because they know that land tends to increase in value.

A speculative boom breaks, but values, save at forced sale, stay up. When land begins to "move" after a burst boom, it starts at the high price established during the boom or only slightly below it. This is taking place, I am told, in the mid-West now, so strong is the speculative factor in the business operations of even the most conservative communities.

Farmers wish to do and are advised to do various things to cure the evils from which they suffer. They demand lower freight rates, and they should have them. Ultimately, however, low rates will only boost the value of lands. If the railways and waterways should carry farm products actually free of cost, the whole benefit would soon be absorbed in rising land values. The landowner, the landlord, would be the only permanent beneficiary. Low rates will help the farm tenant until such time only as it takes the landlord to adjust his rent to absorb the benefit—no longer. They will help the overmortgaged farmer to pay off, if the benefit is great enough; otherwise he will lose his farm just the same. They will help the man who really owns his farm only so long as he owns it. But they will increase his capital account on which he must earn returns. They will intensify the present state of things, under which the only way a farmer can make money is by selling out, cashing in on his unearned increment, and ceasing to be a farmer.

Diversification of crops, stock raising, dairying, poultry raising, all these things so earnestly urged are good things. They turn a farm from a place to stay into a real home. But the same things may be said of them that I have said of lower freight rates. The farm tenant can diversify only as his lease and his landlord permit. The year-to-year tenant can not be expected to diversify nor keep up fertility. Whatever benefits accrue to farming by these or any other better methods, when they become the rule merely add to land values, make the state of the tenant farmer worse, help some mortgaged farmers, and fail to help others, and while they do help the farmer who really owns his farm, they do so only so long as he owns it, and add to the investment on which he claims the right to earn returns.

The same thing is true of cooperation and better systems of rural credits. That Virginian whom I have mentioned, who stated that cooperation among the Eastern Shore farmers had raised the price of land 200 per cent, 300 per cent, and in some cases 500 per cent, doubtless thought he was describing an unmixed blessing. But what he disclosed, while it certainly proved the value of cooperation, also contains a prophecy of evil for those farmers. Their lands are now getting to a status where they are too valuable for a poor man to hold. Here and there one will sell out. The lands will go into the hands of landlords. The curse of landlordism will settle on that region just as it always settles wherever land tends to increase in value, especially after it has already become valuable. Probably an investigation on the ground would prove that to a greater or lesser extent it has already done so.

What will cure agriculture of its diseases is a state of things in which good land will be once more cheap, so that a poor man can own it, and in which everything done by or for the farmers will not at once curse them with high land values and increased rents.

The first necessary of life is land. It comes before even such things as food and shelter, for we can not have either of these without access to land. The grossest error of mankind is the thought that high land values mean good to man. We fall into that destructive mistake, because with land monopolized all good to man is reflected in increasing land values. The high price of our land, however, comes from the good to humanity and not the good to humanity from the land values. This is a fundamental distinction.

We shall go on from bad to worse if we can not make land cheap once more. Our good cheap land is gone. Our problem is to get it back again, in city and country. We shall get it back if society is destroyed, but it will do nobody any good in that case. Mesopotamia must once have had high land values; but when the hordes of Central Asia overwhelmed it they destroyed the land values with the society which built them up.

What the farmers need is cheap land, not on some receding frontier, as in my youth, but right where they live now, in Pennsylvania, Virginia, Ohio, Indiana, Kentucky, Iowa, and wherever farming is carried on. Cheap land and cheap land alone will save us from the disintegration of agriculture which is well on its way now and with it the disintegration of this Nation which we all love, and which we like to believe has some mission in the saving of the world.

If land is to be made cheap, the high values in the hands of landowners, both those who occupy their lands and those who do not,

must be taken away from them. The only way to take it from them is by legislation. The land can be made available to all in but two ways—by land nationalization and by the State thus becoming the universal landlord, or by taxation so levied as to relieve of taxation every form of property except land values.

This latter method would relieve from taxation the buildings of the farmer, his machinery, his money in bank, his fences, his crops, his orchards, his income, his improvements through drainage, his fertilization, everything which he has except the value of his bare land. This value would be absorbed year by year in a land-value tax. It would make land cheap; for under such conditions nobody would buy farm land—or any other, for that matter—for speculation. No increase in population or progress in the arts and sciences would make the land more valuable for sale, for the increased value would always be absorbed by taxation. The increased value conferred by society would be taken by society annually in the form of a tax.

It would rest hardest on the least highly improved desirable lands. Whenever a farmer had so far built up his fertility, his improvements, his equipment, his livestock, and his personal property generally, as to make it of more value than his bare land—which is economically his best agricultural policy—his taxes would be lower under this system than under the present scheme. He could not sell his land for any more than the improvements would be worth, if the tax were made equal to the annual rental of the bare land—but the selling price would be as adequate to the purchase of a new home as the higher price he gets under our present policy.

The town-dwelling owner of farm land would sell out or move to the farm and become a dirt farmer. The man who has to hire his work done would find it profitable to decrease his area of land to the amount he and his family could till. This would throw on the market plenty of cheap land for everyone who might desire to farm.

An esteemed friend, who is a member of the farm bloc in Congress, has been kind enough to read this manuscript and has written me a letter of candid criticism, with which I am forced to disagree, as to the land policy outlined. I do not blame him for not advocating it in Congress. It is still outside the field of practical politics. It will remain so until the cancer of land values has eaten somewhat deeper into the body politic. This is not written for the inaccessible mind; but I did not think my friend of the farm bloc had that sort of mind. It is written for thinkers in the hope that it will reach the voters when they become conscious of what is eating them. It is written for thinkers to-day, and for others to-morrow. But in this Congressman's letter there is one sentence which surprised me. It states that such a plan applied to farmers only would be very unjust.

I had thought that as a matter of course every reader would take it for granted that the system of taxing land values so as to give us back our frontier would apply to all kinds of lands, or nearly all. It would probably prove destructive to forests which would necessarily be under some modification of it, designed to prevent destructive lumbering. Mines might call for some change in it. But it would apply to all other landed property of which I can at present think.

As a matter of fact, the great mass of land values is in and adjacent to cities and in great mining regions. These lands should be made cheap, too. The tribute levied on industry, commerce, and manufacturing by urban land values is vastly greater than that imposed by farm-land values. Land monopoly restricts the building of homes in cities and towns. It takes from the merchant such profits as it does not force into the cost of living. It holds in the dead hand of the speculator the sites of factories. It adds to the price of fuel and of almost everything the manufacturer uses in the way of raw material. It acts to decrease the opportunity of the laborer to exert productive work, whether for himself or for the employers who are handicapped all the time by the barriers between them and sites for factories or their raw materials; and it tends in city as in country to absorb everything which the laborer earns above a mere living; and it forces that mere living down to a lower and lower level save as he can protect himself through his unions. And these values do not in ultimate justice belong to the owners. They have not produced them. Society has produced them, and they belong to society. The cities would be quite as great gainers by the system as would the farmers. But this can not be dwelt upon here.

Perhaps my friend was deceived by the fact that in these pages I have dwelt so largely upon the plight of the farmers. I have done so because my object in writing this book (with which most farmers will disagree) is to discover the basic trouble with agriculture. And the burden of land values is more apparent with the farmers than with the city dwellers, though not more real, because the farmer is least able to bear it. He is actually in contact with the evil, while most city people are apparently somewhat removed from it. But to confine the operation of the plan solely to him would not be an injustice to him only; it would be a greater injustice to the cities themselves.

GOVERNMENT RETIREMENT SYSTEMS

Mr. STANFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a letter signed by Robert H.

Alcorn, chairman, on behalf of the Joint Conference on Retirement, representative of the civil-service employees of the United States, together with a paper prepared by Mr. Joseph S. McCoy, Actuary of the Treasury Department, and related data concerning government retirement systems.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

THE JOINT CONFERENCE ON RETIREMENT,
REPRESENTATIVE OF THE CIVIL-SERVICE EMPLOYEES
OF THE UNITED STATES,
Washington, D. C., December 6, 1924

Hon. ROBERT N. STANFIELD,

Chairman Committee on Civil Service,

United States Senate.

DEAR SENATOR STANFIELD: During the past summer a committee of the Joint Conference on Retirement collected data upon existing retirement systems, both governmental and private, and these were embodied in a series of papers, which from time to time were mimeographed and sent to the organizations composing the conference.

Inclosed is a synopsis of the data collected concerning Government retirement systems, in which countries, States, and cities are consolidated on a subject basis. Also inclosed is a copy of a paper prepared by Mr. Joseph S. McCoy, Actuary of the Treasury Department, regarding the actual saving to the Federal Government effected through the operation of the present retirement act.

It occurred to us that these data might prove helpful to the members of your committee and the House committee in the effort to have enacted into law Senate bill 3011 and House bill 8208, which we devoutly hope will be the case during the present session. As you well know, we stand ready to do all within our power to assist in any way we can, and we take this occasion to assure you and the members of your committee that we are deeply appreciative of the efforts you have already put forth.

Mr. McCoy's paper we consider especially valuable at this time, in view of its demonstration that each retirement from active service effects a saving to the Government in dollars and cents where the resulting vacancies are not filled. It is certain that a very large number have never been filled.

It is the experience of every department and office head that without a retirement system chiefs of divisions and supervising officials will not recommend the separation from the service of any considerable number of the superannuated, and even now retain many that they would be glad to let go were an annuity provided by law sufficient to meet the barest living cost. In connection with the "good business policy" argument, we invite attention to the following, taken from an article by Secretary John T. Doyle, of the United States Civil Service Commission, in the May, 1924, number of the *Annals of the American Academy of Political and Social Science*:

"This article will show that for a century Congress resisted humane considerations, and yielded to the pressure for a retirement system only when drastic measures failed and it was plain that superannuation could not otherwise be avoided. In government, even more than in private industry, a retirement system, just alike to the Government and to the employees, is in the interest of economy and efficiency.

"Prior to 1861 Army officers did not have pensions nor life tenure, but were dependent for retention upon the forbearance of the Executive. The establishment of a pension list and stability of tenure proved of great benefit to the military and naval services, promoting good behavior and a high moral and professional standard. The same motives of self-interest in good behavior thus established in the military service should be operative in the civil service, and Congress might well have applied the same principles. They tend to a professional standard, in that *continuance in office is made to depend upon efficiency and character*. If free from anxiety as to his support in old age, the employee may devote all his energies to a career of public usefulness.

"The Federal employee acquires skill and knowledge which, as a rule, have no counterpart or market outside the Government service. A clerk in a post office, for example, acquires a knowledge of schemes and routes of distribution and experience as a sorter which render him valuable to the Government. But he can not, like a salesman, shift to another employer. No employer has need of his knowledge. It is all the more incumbent on the Government to give employees deferred pay, not on a humane basis or as a pension, but to stimulate the good will and effort of the force and to provide against old age."

Mr. Doyle quotes from a statement made by Mr. Will H. Hays, while Postmaster General, as follows:

"These men forego the opportunities offered by industry and enterprise to those who carry on the world's work. They miss the

prizes and rewards that come to those workers. The Government capitalizes their efforts and faithfulness, and it is only fair consideration and compensation that some commensurate return should be guaranteed them for the long years of service. The retirement law has recognized this in a measure, but the benefits paid are entirely too small, and it lacks the provision for retirement upon an adequate compensation after a specific period of service."

Of course, the joint conference on retirement advocates a retirement annuity sufficient to live upon as a matter of principle, common justice, and ordinary humanity, but the additional arguments so well presented by Mr. McCoy, Mr. Doyle, and Mr. Will Hays are highly pertinent to any consideration of the question, and might, perhaps, be to some Senators and Representatives the chief motive for supporting retirement legislation.

We are sending a letter similar to this to Congressman LEHLBACH.

Again assuring you of our appreciation of your personal efforts and those of your committee in behalf of this very worthy cause, we remain,

Very sincerely yours,

THE JOINT CONFERENCE ON RETIREMENT,
By ROBERT H. ALCORN, *Chairman*.

SYNOPSIS OF FACTS PERTINENT TO CIVIL-SERVICE RETIREMENT

UNITED STATES CIVIL-SERVICE RETIREMENT CONTRASTED WITH OTHER SYSTEMS

(Act of May 22, 1920)

RETIREMENT ANNUITY PAID

The highest retirement annuity paid by the United States Government to its civil servants under the act of May 22, 1920, is \$60 a month. The average annuity paid is \$48 a month. To obtain this practically a lifetime in the service must be spent.

In contrast with this Chicago pays a maximum of \$150 per month; Philadelphia pays \$100 a month; Boston pays the annuity which the employee's accumulated contributions will purchase plus an equal contribution by the city.

A higher maximum than is paid by the Federal Government obtains in the State services of New York, Pennsylvania, New Jersey, Connecticut, and Massachusetts.

RETIREMENT AGE

In the United States service no provisions whatever is made for voluntary retirement, so that an employee may serve 40 years or more and yet receive no retirement benefit, unless by that time he has reached the age of compulsory retirement. This, for railway postal clerks, is 62 years; for mechanics, letter carriers, and post-office clerks is 65 years; for clerical, subclerical, technical, professional, and scientific positions 70 years.

In contrast with this, in the States of New York, New Jersey, Pennsylvania, and Massachusetts provision is made for optional retirement at 60 years, and in Connecticut at 65 years.

In the Chicago municipal service provision is made for optional retirement upon annuity at 55 years, and in New York City, Philadelphia, and Boston the age is placed at 60.

No foreign country appears to require attainment of 70 years before permitting retirement. Sixty years has been widely adopted, while France has adopted 55 years for the "active branch." Argentina goes as low as 50 years.

CONTRIBUTIONS

In the United States civil service the employees contribute $2\frac{1}{2}$ per cent of their salaries toward the retirement fund. In Connecticut and Maine the employee makes no contribution. In New York, New Jersey, and Pennsylvania the employee and the State pay each one-half. In Massachusetts the employee pays 5 per cent of salary, limited to \$1,560. In New York City the employee and the city pay each one-half. In Philadelphia 2 per cent of salary is paid with a limit of \$4 per month. In Boston 4 per cent of salary is paid. In Chicago the employee contributes $4\frac{1}{2}$ per cent and the city $7\frac{1}{2}$ per cent.

In Denmark, Germany, Great Britain, and Norway no contribution is required from the employee.

WHAT THE FEDERAL EMPLOYEES ASK

The Federal employees ask the passage of Senate bill 3011 as amended. It provides for retirement, after 30 years of service, at a rate not to exceed \$100 a month. Optional or voluntary retirement is for the first time provided for, after not less than 30 years of service and attainment of the age of 63, with provision for such retirement of letter carriers, post-office and railway postal clerks, mechanics, and laborers at 58 years. The contribution of the employees to the retirement fund is increased from $2\frac{1}{2}$ per cent to $3\frac{1}{2}$ per cent.

FEATURES OF GOVERNMENT SYSTEMS NOW IN OPERATION

(1) Minimum service period; (2) age at which retired; (3) salary basis used; (4) contribution of employer and employee, respectively; (5) annuity paid; (6) retirement for disability; (7) death occurring in service; (8) separation before reaching retirement age,

MINIMUM SERVICE

Argentina: Thirty years for maximum annuity.

Boston: No provision in the law.

Canada: Thirty-five years for maximum annuity.

Chicago: Ten years.

Connecticut: Twenty years at age 70; 30 years at age 65.

Denmark: Ten years.

France: For the "active branch" of the service 25 years, and for the "sedentary branch" 30 years.

Germany: No provision in the law.

Great Britain: Ten years. If service is rendered in a place which has been declared "unhealthy" by the treasury, two years of service counts as three.

Italy: Twenty-five years.

Maine: Twenty-five consecutive years.

Massachusetts: There is no minimum service, except in case of optional retirement at 60 years of age, which requires at least 15 years of service.

Netherlands: Ten years.

New Jersey: No provision in the law.

New York City: No provision in the law.

New York State: No provision in the law.

Pennsylvania: Five years.

Philadelphia, city and county: Twenty years.

Portugal: Ten years.

AGE AT RETIREMENT

Argentina: Fifty years for maximum annuity.

Belgium: Voluntary at 65; compulsory at 67.

Boston: Compulsory at 70, except judges, heads of departments, and boards having charge of departments. At 60 an employee may voluntarily retire or be retired by the head of his department.

Canada: Voluntary at 65; compulsory at 70.

Chicago: The minimum age for retirement is 65 years. There is no compulsory retirement.

Connecticut: Sixty-five years after 30 years of service; 70 years after 20 years of service. After 40 or more years of service an employee may retire on a pension of three-fourths of the salary received at time of retirement.

Denmark: No age provision; service only.

France: For the "active branch" of the service 55 years; for the "sedentary branch" 60 years.

Germany: Sixty-five years.

Great Britain: Voluntary at 60; compulsory at 65; may be retained until 70, but in that case the employee loses a part of the sum annuity.

Italy: Sixty years.

Maine: No age specified; employee must have served 25 consecutive years or more.

Massachusetts: Voluntary at 60, after 15 years of service, or after 35 years of service regardless of age; compulsory at 70.

Netherlands: Voluntary at 65, or at 55 for certain occupations.

New Jersey: Voluntary at 60; compulsory at 70.

New York City: Voluntary at 60; compulsory at 70.

New York State: Voluntary at 60; compulsory at 70.

Norway: The age of retirement varies for different branches of the service.

Pennsylvania: Voluntary at 60, provided the employee has rendered five years of service.

Philadelphia, city and county: Sixty years.

Portugal: Voluntary at 60.

SALARY BASIS USED

Argentina: Average for last five years of service.

Belgium: Average for last five years of service.

Boston: Average for last five years of service.

Canada: Average for last 10 years of service.

Chicago: Salary at date of retirement.

Connecticut: Average for last five years of service.

Denmark: After 10 years of service, average for 10 years; after 30 years of service, two-thirds of annual salary for last 5 years of service.

France: Average for last six years of service.

Germany: Annual salary.

Great Britain: Average for last three years of service.

Maine: Average for last five years of service.

Massachusetts: Actual salary received, not in excess of \$1,560.

Netherlands: Annual salary at date of retirement.

New Jersey: Average for last five years of service, not exceeding \$4,500.

New York City: Average for last 10 years of service.

New York State: Average for last five years of service.

Norway: Salary at date of retirement.

Pennsylvania: Average for last five years of service.

Philadelphia, city and county: Average for last five years of service.

Portugal: Annual salary at date of retirement.

CONTRIBUTIONS

Argentina: Employees contribute 5 per cent of their monthly salaries of 1,000 pesos or less (1,000 pesos equal of \$124.60); also the salary for the first month, payable in 24 monthly installments. When promoted the increase of salary for the first month, also payable in 24 monthly installments. The employers (the railroads) contribute an amount equal to 8 per cent of the salaries and daily wages of the employees. Monthly salaries or wages in excess of 1,000 pesos to any one person are not subject to contribution either on the part of the employee or employer.

Belgium: The fund is raised by assessment of the salaries of the employees and by appropriation.

Boston and Suffolk County: Four per cent of the regular compensation of the employees deducted every pay day.

Canada: Five per cent of annual salary. No contributions are required after 35 years of service.

Chicago: Employees contribute 3¼ per cent of their salaries to the retirement fund for their own annuities, from entrance into the service until 55 years of age, and the city contributes an amount equal to 5¼ per cent during the same period; the employees also contribute 1 per cent and the city 1¼ per cent for the annuity of the widow. The total contributions of the employees (4¼ per cent) and of the city (7¼ per cent) equal 11¼ per cent of the salary of the employees.

Connecticut: The employee makes no contributions.

Denmark: The employee makes no contributions.

France: Employees pay 5 per cent of their salaries, also one-twelfth of one year's salary on entering the service and one-twelfth of each annual increase.

Germany: The employee makes no contributions.

Great Britain: The employee makes no contributions.

Maine: The employee makes no contributions.

Massachusetts: Five per cent of salary amounting to \$1,560, or less; no contribution is required on the excess of salary above \$1,560.

Netherlands: One-half the first year's salary, payable in four annual installments. On promotion the employee again pays one-half of one year's salary, in like manner.

New Jersey: The cost is divided between the State and the employee, each paying one-half. The employee pays on account, actuarially determined according to age at entry into the service, which will purchase an annuity at age 60 equal to one one-hundred-and-fortieth of his average annual salary for the last five years of service, not exceeding \$4,500, multiplied by the total number of years of service. The State pays a pension of an equal amount in addition. Contributions are optional after 60 years of age, provided the employee has had 35 years of service.

New York City: Each employee makes contributions of such percentage of his salary computed to be necessary to provide at age 60 annuity of one one-hundred-and-fortieth of his average annual salary for the last 10 years of service multiplied by the total number of years of service. The rates vary according to age at which the employee entered the service and the group to which he belongs. The city in addition pays a pension equal to the annuity.

New York State: Each employee is to make contribution, on the savings bank basis, of the percentage of salary computed to be necessary to provide at age 60 an annuity of one one-hundred-and-fortieth of the employee's average annual salary for the last five years of service, multiplied by the total number of years of service. The rates vary according to the ages at which employees begin to contribute and according to the occupational groups to which the employees belong. The State pays a pension equal to the annuity.

Pennsylvania: The State pays one half the cost of retirement and the employee the other half. Two schedules of age rates of contribution are provided. If the employee elects to contribute the lower rate he pays an amount, actuarially determined, which will purchase an annuity at age of retirement equal to one one-hundred-and-sixtieth of his average annual salary for the last five years of service multiplied by the total number of years of service. If he elects to contribute the higher rate he pays an amount, actuarially determined, which will purchase an annuity at age of retirement equal to one one-hundredth of his average annual salary for the last five years of service multiplied by the total number of years of service. The State contributes a like amount in each case as a pension.

Philadelphia, city and county: Two per cent of salary or wages in no event more than \$4 a month.

Portugal: From 4 per cent to 5 per cent of salary.

ANNUITIES

Argentina: Computed on the average salary for the last five years of service, 95 per cent is allowed on salaries up to 100 pesos (\$42.46), 80 per cent on salaries between 100 and 300 pesos (\$42.46 to \$127.38), and 70 per cent on salaries between 300 and 1,000 pesos (\$127.38 to \$424.60). The employee must be 50 years old and have served 30 years to receive the maximum. For employees who have served 30 years and are between 45 and 50 years old the annuity is reduced one-quarter. Employees 50 years of age with 10 years of service may vol-

untarily retire and receive 2 per cent of the ordinary retirement pension for each year of service. Employees 50 years of age with less than 10 years of service may retire and withdraw their total contributions with compound interest at the rate of 5 per cent.

Belgium: The annuity is one-sixtieth of the average annual salary for the last five years of service multiplied by the number of years of service.

Boston and Suffolk County: The retirement allowance consists of an annuity which the employee's contributions, with interest compounded annually at 4 per cent, will provide, and, in addition, a pension provided by the city equal to the annuity, the pension paid by the city not to exceed one-half the average salary for the last five years of service.

On retirement the employee may elect:

a. To receive the annuity and pension in monthly installments throughout life, all payments ceasing at death.

b. Reduced payments during life, with the provision that if death occurs before payments equal present value of pension and annuity at date of retirement the balance shall be paid to his estate.

c. Reduced payments covering two lives, with the provision that at the date or death of the retired the same payments shall be continued during the life of such other persons having an insurable interest in his life as shall have been designated at the time of retirement.

d. Reduced payments covering two lives, with the provision that at the death of the retired one-half of the amount of his benefits shall be continued during the life of such other persons having an insurable interest in the life of the retired as shall have been designated at time of retirement.

Canada: Multiply one-fiftieth of average annual salary for the last 10 years of service by the number of years of service, not exceeding 35.

Chicago: Employees may retire and receive approximately 60 per cent of their salaries, as follows:

Age at entrance, 21 and 22; age at retirement, 57.

Age at entrance, 23; age at retirement, 58.

Age at entrance, 24 and 25; age at retirement, 59.

Age at entrance, 26 and 27; age at retirement, 60.

Age at entrance, 28; age at retirement, 61.

Age at entrance, 29 and 30; age at retirement, 62.

Age at entrance, 31; age at retirement, 63.

Age at entrance, 32 and 33; age at retirement, 64.

Age at entrance, 34 and 35; age at retirement, 65.

The accumulations and deductions of employees entering the service at the age of 36, or over, are insufficient to give them the annuity of 60 per cent. The annuities of these approximately amount to the following percentage of their salaries at age 65:

Age:	Per cent
36.....	57.7
37.....	54.5
38.....	51.3
39.....	48.3
40.....	45.4
41.....	42.6
42.....	39.9
43.....	37.3
44.....	34.9
45.....	32.5
46.....	30.2
47.....	28.0
48.....	25.1
49.....	23.8
50.....	21.8

The maximum annuity is \$1,800.

Connecticut: One-half average salary for the last five years of service; after 40 or more years of service salary received at time of retirement.

Denmark: After 10 years of service one-half the average annual salary for the period; the gratuity increases with each additional year of service, until the end of the twenty-ninth year, when it is two-thirds of the average annual salary for the last five years of service.

France: Employees engaged in the "active branch" of the service receive one-half of the average annual salary for the last six years of the service, plus one-fiftieth of the salary for each additional year of service beyond 25. Those in the "sedentary branch" receive one-sixtieth of the salary for each additional year of service beyond 30.

Germany: After 65 years of age the rate is one-sixtieth of annual salary for each year of service up to and including the thirtieth year, and in addition one one-hundred-and-twentieth of annual salary for each year thereafter. Maximum annuity three-fourths of annual salary.

Provision is made for widows and minor children, but the employees contribute 3 per cent of their annual salary to maintain this fund.

Great Britain: One-eightieth of annual salary, to which is added a lump sum equal to one-thirtieth of annual salary for each year of service, limited to one and one-half years' salary. Employees remaining after 65 years of age lose one-twentieth of this lump sum for each year of such service.

Italy: The annuity is based on the length of service and the last active salary.

Maine: Such amount as the governor and council may determine, not exceeding one-half the average wage or salary the employee was receiving for the last five years previous to his retirement.

Massachusetts: Upon retirement for superannuation a retirement allowance is paid, consisting of (a) an annuity purchased by the accumulated contributions of the employee, and (b) a pension paid by the State equal to the annuity. The minimum superannuation allowance is \$300, and the maximum is \$780 per year.

Netherlands: Two-thirds of the annual salary, but can not exceed 3,000 florins (\$1,200).

New Jersey: A retirement allowance, consisting of (a) an annuity purchased by the accumulated contributions of the employee, and (b) a pension paid by the State equal to one one-hundred-and-fortieth of his average annual salary for the last five years of service, not exceeding \$4,500.

Several optional retirement allowances are allowed.

New York City: An annuity is purchased with the accumulated contributions of the employee which will approximate one-fourth of his average annual salary for the last 10 years of service multiplied by the total number of years of service. The city pays a pension equal to the annuity, so that the total allowance approximates half pay. There are several optional forms of allowance permitted.

New York State: An annuity is purchased with the accumulated contributions of the employee which will approximate one one-hundred-and-fortieth of his average annual salary for the last five years of service multiplied by the number of years of service, and in addition a pension paid by the State to the annuity.

Employees upon retirement may elect to receive the actuarial equivalent of their pensions and annuities in any one of the following forms:

Without optional modification. Total amount payable in monthly installments throughout life, all payments ending at death.

Option 1. Reduced payments during life, with a provision that in case of death before such payments have equalled the present value of pension and annuity at date of retirement the balance shall be paid to the heirs or assignee.

Option 2. Reduced payments during life, with a provision upon death payments be continued throughout life of a person designated at retirement.

Option 3. Reduced payments during life, with a provision that upon death one-half of employee's allowance be continued throughout the life of a person designated at retirement.

Option 4. Such other form of actuarial equivalent as may be certified by the actuary and approved by the comptroller.

Norway: From one-quarter to one-half of former salary.

Pennsylvania: The employee receives an annuity purchased by his accumulated contributions, which it is expected will amount to one one-hundred-and-sixtieth of his average annual salary for the last five years of service, if he has elected to pay the lower rate of contribution. If he has elected to pay the higher rate, his annuity is expected to be one one-hundredth of his average annual salary for the last five years of service. The State contributes a like amount, so that the total annuity will be one-eightieth or one-fiftieth of the average annual salary for the last five years of service, provided that in no event shall the annuity paid by the State exceed 50 per cent of such annual salary.

Philadelphia, city and county: Fifty per cent of the annual salary or wages for the last five years of service, not exceeding \$100 per month.

Portugal: Fifty per cent of annual salary, the rate gradually increasing up to and including the thirtieth year, when it reaches full pay.

DISABILITY RETIREMENT

Argentina: Computed on the average earnings for the last 10 years of service, on the same scale as ordinary retirement pension, less a reduction of 5 per cent for each year of service less than 30. Employees receive the pension if the disability is incurred in the course of their service, even if they have not served for 10 years.

Boston and Suffolk County: For ordinary disability an employee less than 60 years of age who has completed five years of service receives an annuity based on the value of his accumulated deductions, and in addition a pension equal to nine-tenths of the pension which the city would have granted had he remained in the service until the age of 60. In case of disability the result of accident in the line of duty, regardless of age or length of service, the employee receives a similar annuity, and in addition a pension equal to three-fourths of annual compensation for the preceding year.

Canada: After 10 years of service the employee is entitled to retire on account of disability on an annuity determined by multiplying one-fiftieth of the average annual salary for the last 10 years of service by the number of years of service. An employee may be retired for disability with a gratuity of one month's pay for each year of service.

Connecticut: No provision for disability retirement.

France: Employees in the "active branch" who are 54 years of age, and have served for 15 years, and those in the "sedentary branch"

who are over 50 years of age, and have served 20 years, may be retired if infirmities result in service. Provision is made for civil employees who have been forced to retire by reason of disability incurred in their employment, or while saving the life of a fellow employee, whatever their age or length of service.

Germany: When permanently incapacitated for work after 10 years of service an annuity is paid of one-third of average salary for last 10 years of service, increased by one-sixtieth of salary for every year of service up to and including 30 years, and by one one-hundred-and-twentieth of salary for every year thereafter.

Great Britain: Retirement for disability, due to injury or disease in line of duty, is subject to special rules. Retirement for disability not in the line of duty, after 10 years of service, the annuity is the same as for age. With less than 10 years of service the gratuity equals one month's pay for each year of service.

Italy: Employees who have served more than 10 years and less than 25 years and have been disabled in the course of their employment, may be retired and receive a gratuity.

Maine: No provision for disability retirement.

Massachusetts: A distinction is made between ordinary disability and disability incurred as a result of injuries sustained through no fault of the employee while in the actual performance of his duty. The employee must have had at least 15 years of service to be eligible for disability retirement allowances, the minimum for which is \$300 per year and the maximum not more than one-half the average annual salary for the last 10 years of service. When the disability is the result of injuries sustained while in the performance of duty, a retirement allowance equal to one-half of the last annual salary is paid without the requirement of 15 years of service. In case of death as the result of injuries received while in the discharge of duty, a pension equal to the disability retirement allowance which the employees would have received will be paid to the widow, or if not widow, then to the child or children under 16 years of age.

Netherlands: Disability retirement after 10 years of service.

New Jersey: For ordinary disability, after 10 years of service, the employee receives a retirement allowance consisting of (a) an annuity purchased by his accumulated contributions, and (b) in addition, a pension paid by the State equal to 20 per cent of his average salary for the last 5 years of service. Retirement for disability resulting from the performance of duty, the employee receives an allowance consisting of (a) an annuity purchased by his accumulated contributions, and (b) in addition, a pension paid by the State equal to two-thirds of his final salary. No service requirement is made.

New York City: For ordinary disability retirement the employee receives an annuity purchased with his accumulated contributions, and in addition, a pension provided by the city of not less than one-quarter of his average annual salary. If disabled in the performance of duty, the employee receives a pension provided by the city of three-quarters of the average annual salary for the last 10 years of service, plus an additional annual payment equal in value to his accumulated contributions plus interest. In either case the allowance is paid during life, or until the employee is able to return to service.

New York State: After 15 years of service a disabled employee is entitled to a retirement allowance equal to 90 per cent of one-seventieth of his average annual salary for the last five years of service multiplied by the total number of years of service, except that the minimum allowance shall be 25 per cent of the said average annual salary.

Norway: Employees are entitled to a pension when compelled to leave the service on account of sickness or old age.

Pennsylvania: One-ninetieth of the average annual salary for the last five years of service multiplied by the total number of years of service, provided, that in no case shall the disability allowance be less than 30 per cent of said average salary.

Philadelphia, city and county: An employee permanently and totally disabled, after 20 years of service, is entitled to the full annuity that he would receive after remaining in the service until 60 years of age.

Portugal: Employees with less than 10 years of service and who retire by reason of disability, not due to the service, may receive a gratuity but not a pension.

DEATH IN THE SERVICE

Boston and Suffolk County: Total contributions with compound interest at 4 per cent is paid to the legal representatives of the employee.

Canada: If the employee had more than 10 years of service the widow receives one-half the allowance of the employee, with an additional allowance for each child under 18 years of age, but the total annuity for children is limited to 25 per cent of the employee's annuity. If the widow is dead, each child receives 20 per cent of the employee's allowance until the age of 18, but total annuity for children can not exceed 50 per cent of the allowance for the employee. If the employee dies before rendering 10 years of service, his widow and minor children are entitled to the gratuity to which the employee would have been entitled if he had become disabled before serving 10 years.

Chicago: An annuity is paid the widow and children under 18 years of age, actuarially determined from age at entrance into service of the employee and his length of service and contributions to the retirement fund.

Connecticut: No provision is made for death in the service.

Denmark: The widow receives 12½ per cent of the employee's allowance, but the law provides for compulsory annuity insurance in favor of the wife.

France: Provision is made for the widow and minor children of the employee.

Germany: Employees contribute 3 per cent of their salary to maintain a fund for widows and minor children.

Great Britain: If the employee dies after five years of service, his legal representatives receive a gratuity equal to the annual salary and emoluments of the office held by the employee unless he is over 65 years of age, in which case the sum is decreased by one one-hundred-and-twentieth for each year of service after 65.

Italy: The law provides for widows and minor children.

Massachusetts: The accumulated contributions made by the employees are returned to his estate.

Netherlands: The widow's pension equals one-fourth of the employee's annual salary, with an additional one-twentieth for each child under 18. If the widow is dead, each child draws one-twelfth of the employee's salary, but in neither case can the total for all children exceed one-fourth of the salary of the employee.

New Jersey: The accumulated contributions of the employee are returned to his estate. If the death is the result of performance of duty, his accumulated contributions are refunded to his estate, and in addition a pension equal to one-half his final salary is paid to his widow until she dies or remarries, and then to his child or children until the youngest child is 18 years old; if there be no widow or child under 18 surviving, there is paid to his estate a sum equal to his final salary.

New York City: For ordinary death in service, regardless of its length, the estate of the employee, or the beneficiary whom he may have selected, receives a sum equal to the amount earnable by the employee in the six months preceding death, together with a refund of the entire accumulated contributions, with compound interest at 4 per cent. For death in the performance of duty, regardless of length of service, the employee's widow is entitled to a pension equal to one-half the average annual salary of the employee for the 10 years preceding death; or if there be no widow, then children under 18 years of age or dependent parents receive such pension. In addition, the entire accumulated contributions, with 4 per cent compounded interest, are paid to the estate of the employee or the beneficiary whom he may have selected.

New York State: The accumulated contributions are returned to the estate of the deceased employee or to any person designated by him. If the death is the result of an accident sustained in service and in the performance of duty, a retirement allowance equal to one-half the employee's average annual salary for the last five years of service is payable to his widow during widowhood or his or her children under 18 years of age.

Pennsylvania: The contributions, with 4 per cent interest compounded annually, are returned to the estate of the deceased employee.

Philadelphia, city and county: The total amount of contributions, without interest, are paid to the estate of the employee.

DEATH OF THE ANNUITANT

Argentina: When an employee entitled to a pension dies his dependents, including the widow, or widower, if suffering from disability, and the children, or, in default of, then the parents or unmarried sisters of the principal, are entitled to one-half the pension to which the principal would have been entitled.

Boston and Suffolk County: See Annuities.

Canada: See Death in the Service.

Chicago: An annuity is paid the widow and children under 18 years of age, actuarially determined from age at entrance into service of the employee, his length of service and contribution to the retirement fund. Connecticut: The annuity ceases.

Great Britain: If the annuitant has not received a sum equal to one year's pay, his legal representative is entitled to the difference.

New York City: Until the first payment on account of any benefit is made the beneficiary, or if such beneficiary is an incompetent, then the husband or wife of such beneficiary, or if there be no husband or wife a committee of the estate may elect to receive such benefit, is a retirement allowance payable throughout life, or to receive a lesser allowance throughout life with the provision that: (1) if he dies before receiving in payments the present value of his allowance the balance shall be paid to his legal representatives, or to such person as he shall have designated; (2) upon his death the allowance shall be continued through the life of such person as he may have designated; (3) upon his death one-half of the allowance shall be continued throughout the life of such person as he may have designated; (4) upon his death some other benefits shall be paid to such other persons as the bene-

fiary may have designated, the amount of such benefits to be such as shall be certified by the actuary and approved by the board of estimate and apportionment.

New York State: Employees on retirement may elect to receive the actuarial equivalent of their pension and annuities in any one of the following forms:

Without optional modification. Total amount payable in monthly installments through life, all payments ending at death.

Option 1. Reduced payments during life with a provision that in case of death before such payments have equaled the present value of pension and annuity at date of retirement the balance shall be paid to the heirs or assignee.

Option 2. Reduced payments during life with a provision that upon death payments be continued throughout life of a person designated at retirement.

Option 3. Reduced payments during life with a provision that upon death one-half of employee's allowance be continued through life of a person designated at retirement.

Option 4. Such other forms of actuarial equivalent as may be certified by the actuary and approved by the comptroller.

Philadelphia, city and county: The annuity for the month in which the death occurs is paid to the estate of the annuitant. No further payments or refunds are made.

SEPARATION FROM THE SERVICE

Argentina: Employees discharged through no fault of their own receive the amount they have paid in, without interest. Employees discharged for certain causes forfeit all rights to the amount paid in, but if they have families dependent upon them, the benefits are given to the families.

Boston and Suffolk County: An employee who resigns or is discharged from the service receives the total amount of his contributions, with 4 per cent interest compounded annually.

Canada: If the office is abolished and the employee has served for 10 years he is entitled to an annuity determined by multiplying one-fiftieth of his average annual salary for the last 10 years of service by the number of years of service, not exceeding 35, or he may be allowed a gratuity equal to one month's pay for each year of service. If the employee voluntarily retires after 10 years of service he is entitled to the return of his contributions without interest.

Chicago: All contributions made by employees who have served less than 10 years and who are not 60 years of age, and employees under 55 years of age, regardless of length of service, who resigned or are discharged, are returned to them.

Great Britain: An employee whose office is abolished, or who is compulsorily removed from the service in order to facilitate arrangements by which great economy and efficiency may be secured, may receive a compensation allowance, calculated on the same basis as though "retired on the ground of ill health," but with the addition to his actual service of a number of years varying with the length of service, as follows:

Less than 5 years of service; addition 1 year.

Five years and under 10; addition 3 years.

Ten years and under 15; addition 5 years.

Fifteen years and under 20; addition 7 years.

Twenty years; addition 10 years.

Italy: After 25 years of service, if the employee is dropped by reason of the abolition of his office or the reorganization of his branch for the sake of greater efficiency, he may be retired and receive a gratuity.

Massachusetts: An employee resigning has his contributions with interest accumulations returned to him.

New Jersey: An employee who withdraws from the service receives his contributions with 4 per cent interest compounded annually.

New York City: An employee separated from the service may withdraw his accumulated contributions; or if the separation is not the result of fault or delinquency on his part, after 20 years of service, he may receive in cash the present value of a pension, deferred to the age of 60 years, of one one-hundred-and-fortieth of his final compensation multiplied by the number of years of service.

New York State: Upon withdrawal from the service an employee is entitled to his accumulated contributions together with 4 per cent compound interest.

If after 20 years of service, an employee's position is abolished or he is otherwise out of service through no fault of his own, he may elect to be paid: (1) His total accumulated contributions with interest at 4 per cent; or (2) an allowance beginning immediately having a value equal to the then present value of a retirement allowance beginning at age 60. If an employee whose service has been discontinued has attained age 50, an additional allowance is granted equal to 50 per cent of the difference between his actual retirement allowance and the retirement allowance that would be allowable to him were his age 60.

Pennsylvania: An employee who is separated from the service from any cause is entitled to the return of his contributions with interest

at 4 per cent compounded annually. If his separation is not voluntary and he has had at least 10 years of service he may either withdraw his accumulated contributions, or he may receive a retirement allowance computed on his contributions and his years of service.

Philadelphia, city and county: On separation from the service from any cause the employee is entitled to the return of his contributions without interest. If he has 20 years of service he may continue the monthly payments, at the rate last paid, until he reaches the age of 60 years and then receive the annuity he would have been entitled to had he remained in the service.

COST OF RETIREMENT (By Joseph S. McCoy)

In estimating the cost to the Government of retiring those incapacitated by age or by physical or mental disability little attention has been given to the saving to the Government incidental to this retirement. No longer do we see physical wrecks—yes, and even mental wrecks—assisted to their offices and desks by dependent relatives, widowed daughters or daughters-in-law or by stalwart young negroes. No longer is provision necessary for invalid chairs to bring those unable to walk to their desks, there to doze the livelong day and bother their fellow employees.

Prior to 1920 this was a common sight. These incapacitated employees had given the best years of their life to faithful service. In their old age, with impaired health, energy, and mentality, they found themselves with no resources other than their meager salaries. Often not only themselves depended upon this salary but, through misfortune, families of orphan grandchildren, widowed daughters, etc.

Very few Cabinet officers or others in authority were so cold-blooded as to separate these veterans from the service, knowing the result and consequences. Most of these old employees had at one time, through long and efficient service, reached the top of the ladder, so far as their respective offices were concerned. With failing powers, often due to their work, they were demoted, their salary being cut from time to time, until it was reduced from 25 to 50 per cent. Had these unfortunates been marked for efficiency, 50 per cent of them would have received zero marks; another 40 per cent from one-tenth to one-fifth of a perfect mark; and of the remaining, none would have received a good mark.

Under the provisions of the retirement act this practice has been eliminated. It must be confessed, however, that, because of the low retirement annuity as compared with the salaries previously earned by many of the annuitants, together with high prices, many who have even reached the high retirement age benefited by their retirement. It is possible to make a close estimate of the gain to the Government through the present retirement act—an act which has not as yet cost the Government one penny.

There have been retired 12,785 employees, to whom was granted an average annuity of \$551.64. That is, instead of receiving an average of from \$1,000 to \$1,400 per year in salary, they are receiving \$551.64 in annuity from the Government, who borrows the necessary cash from the fund in trust for those now contributing. That is, the Government saves in salary an average of over \$600 a year on every employee retired. Before retirement these employees cost the Government over \$15,000,000 per annum. After retirement the cost, as long as they live, is less than one-half of this amount, or about \$7,000,000 of borrowed money. It is true that when this \$15,000,000 was paid them the Government received in return some three or four million dollars' worth of service in return. Again, the mortality among those retired is very great—some 20 per cent of those heretofore retired having died. Let this matter be considered from as cold-blooded and money-grasping point of view as is possible, and under the provision of pension bills we have the following results: Suppose that the average annuity to be paid is \$1,000. This would save the Government directly about \$300 a year. But, in addition of this \$1,000 annuity, the employees normally would themselves contribute some \$600, thus saving some \$900 to the Government, much more than the value of their services immediately prior to retirement. So normally, instead of costing the Government, retirement will be saving it money. Those now on the retired list will be costing the Government from \$200 to \$200 less per year than before retirement. Of course, with retirement under the proposed legislation probably three or four times as many will be retired before being practically worthless to the Government. This would make the average immediate cost to the Government of the retirement of those who have contributed only for a limited time more than the saving in retirement. This is somewhat in the nature of the original capital invested in a profitable business, a capital that will later earn enormous profits.

The annuities of those to be retired from now until the employees that have entered the service since the enactment of such legislation reach retirement age will cost the Government at the beginning probably about \$300 to \$400 per year, and this cost will gradually decrease until it will finally be eliminated. That is, for a comparatively short period the Government, because of retirement, will have to pay more than before retirement, this steadily decreasing until the net cost reaches zero. After that time all the contributions on the part of the

Government will probably be less than the actual amount of cash saved to it by the retirement system. This is all based upon a contribution on the part of the employee of 3 per cent of his salary.

That is, retirement will weed the service of all the inefficient and enable the employee to devote his undivided efforts to the Government, without continually thinking of the future of himself and of his dear ones, his future being guaranteed, and this at no additional cost to the Government. Is this not an attractive, cold-blooded, business proposition? Throughout the country large employers of men and women are finding it cheaper to have liberal retirement systems than it would be without them. This action is being followed by many States and municipalities, especially as to school-teachers, police, firemen, municipal employees, etc. This all tends to better Government and a more contented and prosperous people. There is no charity in it. Not only does it cost nothing, but it actually saves money to the employer. The old and incapacitated give way to the young and energetic, with the result that taxes need not be increased, as there is no increased cost to the Government, while the taxes necessary to support eleemosynary and penal institutions will be reduced.

The United States is always proud of its record of being the first and most generous to help the hungry or the afflicted in all parts of the world—the Armenians, the Greeks, the Russians, the German children, the Japanese. All of which is commendable charity and fills the headlines. On the other hand, this suggested way of helping those, together with their dependents, who have become incapacitated through long service for the United States is not charity and is practically without cost. Therefore why deny it?

From this we plainly see that the cost to the Government, as contained in the reports of the board of actuaries of the various retirement systems, does not take into consideration the saving to the Government through the operation of these systems. It is plainly evident that the annual cost to the Government of its civil service without the present retirement law would be greater than is its present cost together with the amounts now paid in annuities to retired employees, and this statement of cost will hold good under the present law indefinitely. Whatever is paid in the way of retirement annuities is more than saved in the current payments on account of the civil service. This must be taken into consideration in any cost estimate of retirement.

It is a question whether it would not be more charitable, if the civil service employees can not have a retirement law that will properly take care of the superannuated and disabled, to say nothing of their unfortunate widow and orphan dependents, to adopt the ancient Spartan plan of dealing with such unwelcome citizens.

ARLINGTON MEMORIAL BRIDGE ACROSS THE POTOMAC RIVER

Mr. BORAH. Mr. President, I ask unanimous consent that the vote by which Senate bill 3173 was passed on last Tuesday be reconsidered and the bill put upon the calendar again for consideration.

Mr. MOSES and Mr. BRUCE. What is the bill?

Mr. BORAH. The memorial bridge bill.

The PRESIDENT pro tempore. The Chair desires to suggest to the Senator from Idaho, inasmuch as the bill has gone to the House, that the request will have to be accompanied with a request that the House return the bill to the Senate.

Mr. ROBINSON. May I ask the Senator from Idaho to repeat his request?

Mr. BORAH. I have asked unanimous consent that the vote by which Senate bill 3173 was passed be reconsidered and the bill be returned from the House and placed upon the calendar for consideration.

The PRESIDENT pro tempore. The first proceeding naturally is to get the bill back from the House, and the Chair will state that as the request of the Senator from Idaho in the first instance.

Mr. ROBINSON. May I suggest to the Senator from Idaho that the Senator from Virginia [Mr. SWANSON], who I know is interested in the bill, is absent, and that he permit his request to go over until the Senator from Virginia can be present?

Mr. BORAH. Very well. In view of the suggestion of the Senator from Arkansas I will change the request to a motion. I will enter a motion to reconsider the vote by which the bill was passed and to recall the bill from the House.

The PRESIDENT pro tempore. The Senator withdraws his request for unanimous consent and enters a motion.

Mr. FERNALD. This is such an unusual procedure that I will have to object to any unanimous consent.

Mr. ROBINSON. The Senator from Idaho does not ask that his motion be disposed of now.

The PRESIDENT pro tempore. The Senator from Idaho moves that the House be requested to return to the Senate the bill S. 3173.

Mr. ROBINSON. As I understand it, the Senator from Idaho is willing that the motion shall go over for the present until Senators who are especially interested in the measure may be present.

Mr. BORAH. I am simply now entering the motion, and when Senators interested are present I shall ask for its consideration.

Mr. FERNALD. It seems to me there ought to be some reason stated for such an unusual procedure as, after a bill has passed the Senate and gone to the House, to have it returned for further consideration.

Mr. ROBINSON. Of course, the Senator from Idaho has a right to make the motion.

Mr. FERNALD. Of course he has that right.

Mr. ROBINSON. My interest in the matter in preventing any disposition at this time is in order to make certain that Senators whom I know to be interested in his motion and in the bill itself shall have an opportunity to be present and contest the proceeding, and the Senator from Idaho states that he desires that that shall be done. However, the Senator from Maine, I believe, is chairman of the committee that reported the bill, and if he sees fit to pursue another course, I shall, of course, yield to his views.

Mr. BORAH. There is no way by which a proper objection can be made to my entering the motion. When the time comes to consider the motion all Senators will vote as they see fit; but I will say to the Senator from Maine that the reason for my entering the motion is that it is a bill obligating the Government to \$14,500,000, which passed the Senate without any debate or discussion or consideration apparently.

Mr. ROBINSON. May I suggest to the Senator from Idaho that there is nothing whatever unusual about that. The Senate and, for that matter, the body at the other end of the Capitol, have repeatedly passed without debate measures, and very important measures, carrying large appropriations. There have been instances where appropriation bills carrying numerous items and involving the authorization and expenditure of hundreds of millions of dollars have passed with practically no debate whatever.

Mr. BORAH. But that did not preclude anyone from entering a motion, if he so wished, to reconsider the vote by which the bill was passed, which I am now doing.

Mr. ROBINSON. The Senator will bear in mind that I have not objected to his making or entering the motion.

Mr. BORAH. That is precisely the situation. I was making the statement for the benefit of the Senator from Maine, who asked for reasons. The reason briefly is that the bill carries a very large appropriation for a memorial bridge, and no consideration was given to it, no information, so far as I have been able to find, was given in regard to it; and I simply want an opportunity to discuss it, that is all. I think I will have an opportunity. Here is a good place to practice the economy we so persistently profess.

Mr. FERNALD. I have no objection to the Senator having such an opportunity.

The PRESIDENT pro tempore. The parliamentary situation, as understood by the Chair, is that the Senator from Idaho [Mr. BORAH] enters a motion to reconsider the vote by which the bill to which he refers was passed, and he accompanies that motion with a request that the House of Representatives return the bill to the Senate. That is all that can be done at the present time.

Mr. HARRISON and Mr. FERNALD addressed the Chair.

The PRESIDENT pro tempore. The Senator from Mississippi.

Mr. HARRISON. Of course, I presume that the Senator from Idaho, if he wishes to make the motion, can do it to-day; and he is required to do it within a certain time in order to take care of his rights, but I had hoped that no final action would be taken in the absence of the Senator from Virginia [Mr. SWANSON].

Mr. ROBINSON. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. In a moment. I merely wish to say that the Senator from Virginia [Mr. SWANSON] has had his heart on this matter for a long time, and he is not here at this particular moment. I am sure that he would not desire final action to be taken until his return. I yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator from Idaho [Mr. BORAH] has not requested action at this time. He has merely entered the motion to reconsider in order to preserve his right to have the Senate consider the motion, and he is not even requesting action on the motion at this time.

The PRESIDENT pro tempore. The motion can not be considered at this time, but it has been entered.

Mr. ROBINSON. But the Senator from Maine [Mr. FERNALD] seems to object to the Senator from Idaho entering the motion.

Mr. FERNALD. I do not object to his doing so. I merely wish to say to the Senator from Idaho that this matter was very carefully considered and a report was made upon it by the committee last May—almost a year ago. It is true that no long-winded speech was made on the subject, but the measure was duly considered by the committee and, I repeat, a report upon it was made by them nearly a year ago.

Mr. BORAH. I am familiar with the report which was made nearly a year ago, but the information which it gives is not, at least, the kind of information which I should like to have.

PROPOSED INVESTIGATION OF POWER COMPANIES

The PRESIDENT pro tempore. Senate Resolution No. 286, heretofore submitted by the Senator from Nebraska [Mr. NORRIS] will lie over without prejudice.

Mr. NORRIS. Mr. President, I wish to submit a request for unanimous consent in connection with the resolution to which the Chair has just referred, but I thought I would wait to do so until the Chair had laid before the Senate the unfinished business. I was laboring under the impression that the routine morning business had not yet been concluded. However, before the resolution goes over without prejudice—

The PRESIDENT pro tempore. The Chair does not intend to preclude the opportunity of the Senator from Nebraska to ask unanimous consent that the resolution may be considered at any time.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker of the House had affixed his signature to the following enrolled bills and joint resolution, and they were thereupon signed by the President pro tempore:

H. R. 162. An act to amend the act establishing the eastern judicial district of Oklahoma, to establish a term of the United States District Court for the Eastern Judicial District of Oklahoma at Pauls Valley, Okla.;

H. R. 644. An act providing for the holding of the United States district and circuit courts at Poteau, Okla.;

H. R. 704. An act to authorize the Court of Appeals for the First Circuit to hold sittings at San Juan, P. R.;

H. R. 914. An act granting six months' gratuity pay to Stansfield A. and Elizabeth G. Fuller;

H. R. 1078. An act for the relief of Fred E. Jones Dredging Co.;

H. R. 1082. An act for the relief of Henry A. Kessel Co. (Inc.);

H. R. 1333. An act for the relief of Joseph P. Ryan;

H. R. 1682. An act for the relief of the Stone Towing Line;

H. R. 2005. An act for the relief of William J. McGee;

H. R. 2335. An act for the relief of J. Jessop and sons;

H. R. 2373. An act for the relief of the Standard Oil Co., at Savannah, Ga.;

H. R. 2869. An act for the establishment of a United States industrial reformatory;

H. R. 2989. An act for the relief of Mrs. E. L. Guess;

H. R. 3046. An act for the relief of J. W. Cook;

H. R. 3388. An act to place the name of Paul Crum on the muster rolls of Company E, First Regiment Nebraska Infantry, United States Volunteers;

H. R. 3504. An act for the relief of Cornelia M. A. Tower;

H. R. 3505. An act for the relief of Fred W. Stickney and H. A. Reynolds;

H. R. 3511. An act to extend relief to the claimants in township 16 north, ranges 32 and 33 east, Montana meridian, Montana;

H. R. 3748. An act for the relief of Lebanon National Bank;

H. R. 4275. An act authorizing the Ponca Tribe of Indians residing in the States of Oklahoma and Nebraska to submit claims to the Court of Claims;

H. R. 4318. An act for the relief of Edward S. Scheibe;

H. R. 4432. An act for the relief of Orville Paul;

H. R. 4760. An act for the relief of the estate of C. M. Cole, of Butler County, Ky.;

H. R. 4818. An act to protect the title of purchasers of Indian lands sold under the provisions of the act of Congress of March 3, 1909 (35 Stat. L. p. 751), and the regulations pursuant thereto as applied to Indians of the Quapaw Agency;

H. R. 5425. An act to provide for the disposition of moneys paid to or received by any official as a bribe which may be used as evidence in any case growing out of any such transaction;

H. R. 5661. An act granting permission to Col. Harry F. Rethers, Quartermaster Corps, United States Army, to accept the gift of a Sevres statuette entitled "Le Courage Militaire," tendered by the President of the French Republic;

H. R. 6241. An act for the relief of Lieut. E. J. McAllister;

H. R. 6383. An act for the relief of the Maryland Casualty Co., the United States Fidelity & Guaranty Co., of Baltimore, Md., and the National Surety Co.;

H. R. 6384. An act for the relief of the Maryland Casualty Co., the Fidelity & Deposit Co. of Maryland, and the United States Fidelity & Guaranty Co., of Baltimore, Md.;

H. R. 6506. An act for the relief of John Baumen;

H. R. 6541. An act to amend an act entitled "An act to provide for the disposal of the unallotted lands on the Omaha Indian Reservation in the State of Nebraska";

H. R. 6817. An act to provide for the construction of a vessel for the Coast Guard;

H. R. 7077. An act to amend an act entitled "An act to amend an act entitled 'An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1914,' approved June 30, 1913," approved May 26, 1920;

H. R. 7194. An act for the relief of Bertram Gardner, former collector of internal revenue for the first district of New York;

H. R. 7296. An act for the relief of John W. Dilks;

H. R. 7420. An act for the relief of Albert E. Laxton;

H. R. 7453. An act to amend an act approved March 3, 1909, entitled "An act for the removal of the restrictions on alienation of lands of allottees of the Quapaw Agency, Okla., and the sale of all tribal lands, school, agency, or other buildings on any of the reservations within the jurisdiction of such agency, and for other purposes";

H. R. 7522. An act to authorize and direct issuance of patents to purchasers of lots in the town site of Bowdoin, Mont.;

H. R. 8100. An act for the relief of the estate of Charles L. Freer, deceased;

H. R. 8343. An act for the relief of Jim Hennessee;

H. R. 8545. An act conferring jurisdiction on the Court of Claims to determine and report upon the interest, title, ownership, and right of possession of the Yankton Band of Santee Sioux Indians to the Red Pipestone quarries, Minnesota;

H. R. 9518. An act granting the consent of Congress to the State of Alabama through its highway department to construct and maintain a bridge across the Coosa River at or near Leesburg, Ala.; and

H. J. Res. 257. Joint resolution providing for the procurement of a design for the use of grounds in the vicinity of the Mall by the United States Botanic Garden.

MUSCLE SHOALS

The PRESIDENT pro tempore. Morning business having been closed, the Chair lays before the Senate the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 518) to authorize and direct the Secretary of War, for national defense in time of war and for the production of fertilizers and other useful products in time of peace, to sell to Henry Ford, or a corporation to be incorporated by him, nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; steam power plant to be located and constructed at or near Lock and Dam No. 17 on the Black Warrior River, Ala., with right of way and transmission line to nitrate plant No. 2, Muscle Shoals, Ala.; and to lease to Henry Ford, or a corporation to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the junior Senator from Nebraska [Mr. HOWELL] to the amendment in the nature of a substitute submitted by the Senator from Alabama [Mr. UNDERWOOD].

Mr. NORRIS. Mr. President, I ask unanimous consent for the present consideration of Senate Resolution No. 286, which I submitted on December 29, 1924, and which went over under the rule, providing for an investigation of the so-called Power Trust by the Federal Trade Commission.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent for the present consideration of Senate Resolution 286 heretofore submitted by him. Is there objection?

Mr. EDGE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from New Jersey will state the inquiry.

Mr. EDGE. Do I understand it to be the ruling of the Chair that under the unanimous-consent agreement governing the consideration of the Muscle Shoals measure, which is still before the Senate, unanimous consent is required to consider any other matter at this time?

The PRESIDENT pro tempore. The Chair has so ruled repeatedly, except as to routine morning business in case there has been an adjournment of the Senate.

Mr. EDGE. Then I understand the Chair does not consider the resolution of the Senator from Nebraska routine morning business?

The PRESIDENT pro tempore. That is true.

Mr. EDGE. Mr. President, reserving the right to object, I had intended to withdraw the objection which I had previously made to the consideration of the resolution, but I have been giving some study to it since and I am informed that the information which the resolution would require to be transmitted to the Senate is not at all available at the present time in any of the departments of the Government, and that to carry out the intent of the resolution, apparently, will necessitate an exhaustive investigation on the part of the Federal Trade Commission, the calling of witnesses, and the examination of papers and documents from various sections of the country. It seems to me that what might be justly termed a fishing expedition of this character—and I wish to be entirely fair about it—is hardly justified, at least, as I understand the general conditions.

There may be some kind of a power trust; if so, I am sure I know nothing about it, but I do think that we should consider the situation by which we are confronted at this time. All exhaustive investigations, particularly those of practically nation-wide scope, more or less influence investment. They tend to unsettle conditions even in the case of entirely legitimate investments and to make nervous and uneasy the investors. In my judgment, in these days we want to encourage investment; surely we have not reached the stage where we want to discourage legitimate investment; and a great nation-wide inquiry, taking in the banks of the country and the stockholders in all public-utility activities, it seems to me, is entirely too broad in scope, and in the light of the information that has come to me is not at this time justified. So I object to the consideration of the resolution.

The PRESIDENT pro tempore. Objection is made.

Mr. NORRIS. Mr. President, I had not intended to discuss the resolution if objection had not been made, but to permit the resolution to pass so that the Federal Trade Commission might go ahead and make the investigation outlined in the resolution. However, since objection is made to-day by the Senator from New Jersey [Mr. EDGE], as objection was made the other day by the Senator from South Carolina [Mr. DIAL], I will avail myself of the opportunity of addressing myself technically to the question now pending before the Senate, which is the motion of my colleague [Mr. HOWELL] to amend the so-called Underwood substitute, by offering a few observations particularly pertaining to the resolution which I have submitted and for the consideration of which I asked unanimous consent. The resolution, Mr. President, bears directly upon the major question pending before the Senate, which is the disposition of the Government's property at Muscle Shoals.

The charge has been made from various sources, indeed it has been made by me on the floor of the Senate, that there exists in the country to-day a gigantic trust which controls from one end of the country to the other the generation and distribution of electricity by water power and by other means and the manufacture and sale of electrical appliances, running all the way from a little electric bulb in the house lamp to the gigantic generator that will handle without trembling from 30,000 to 60,000 horsepower. That charge bears directly upon the question as to whether we shall turn over the great property at Muscle Shoals to private interests. As I have said from time to time during this debate on the floor of the Senate, I have been investigating as best I could the question of a power monopoly, but it seemed to me when I began to go into it that the task was so gigantic that it should be undertaken by some body better equipped than I to do the work, by some tribunal, committee, or bureau that would so conduct the investigation and develop all the surrounding facts and circumstances as to command the confidence not only of the Senate but of the people of the United States. This resolution of mine has been presented to the Senate with a view of carrying out that idea.

I can not myself understand, Mr. President, why this resolution should be considered any different from other resolutions of a similar nature that have frequently passed the Senate that throw light upon questions pending for solution in the legislative world and also questions that may be pending now or later, perhaps, in the courts, as to whether such a gigantic institution is in violation even of existing law, the antitrust law.

The Senator from New Jersey [Mr. EDGE], in giving the reasons for his objection, says that this is of so wide a scope that it ought not to be undertaken; that it is nation-wide; and, again, that it might interfere with investments and interfere, perhaps, with the sale of stock and bonds either of the gigantic head of this great trust or of some one or more of its hundreds of subsidiaries that have fastened their fangs upon the people of the United States from the Atlantic to the Pacific and from the Great Lakes to the Gulf. It is a gigantic thing. It is nation-wide in its scope. That is one reason why I want the truth to be known, not only by the Senate but by the American people. It is something that stands directly in the way of the legislation that is now pending in the Senate, and that is one reason why, instead of trying to make the investigation in my weak way, or with what assistance I could get, I wanted the greatest investigating body of this Nation to undertake it, and that is why I have introduced this resolution. That is why I have asked the Federal Trade Commission to go into it.

I do not deny that the scope of the investigation is wide. I do not deny that it is nation-wide. This trust comes nearer reaching, perhaps, into every home and into every fireside than any other trust in the land. I do not deny, either, that the investigation will take some time, although I do not believe it will take very much, and I think the Federal Trade Commission is equipped to make the investigation in a remarkably short length of time.

I have been dumfounded and amazed since this session of Congress opened and since the so-called Underwood substitute has been pending at the wonderful way in which these subsidiary corporations reach out into every section of the country, sometimes controlled by stock ownership, sometimes by interlocking directorates. I have been dumfounded and amazed, and the country will be dumfounded and amazed when it learns that practically everything in the electric world, from something that perhaps costs no more than 25 cents to something that may cost millions of dollars, is controlled either directly or indirectly by some part of this gigantic trust.

Are we afraid that if we let the truth be known some investor in Wall Street may not like it? Are we afraid that it might interfere with the price of stocks or bonds of some of these subsidiary companies? I do not know that it would, Mr. President; but if I thought it would and would interfere with every one of them, that would be to me no reason why we should not let the American people, who have to bear the burden of the tyranny of trusts and monopolies, know what the facts are.

If we have within our body politic a running sore or a tumor, we ought to cut it out, even though the patient has to go to the hospital for some time to recover his normal condition. So, to my mind, the objections so far offered should have no weight whatever; and I want to say to the Senate that while, under the ruling of the Chair—and I am not going to appeal from it; I am going to acquiesce in it—this is not routine morning business, and must wait for its ultimate solution until the Muscle Shoals question is determined, that is not going to relieve the Senate from a vote upon this resolution. We must, sooner or later, come to a vote. If there is anything wrong in the resolution, if it ought to be amended in any respect, then let the Senate in its wisdom amend it. If the Senate thinks that the investigation ought not to be made, if it is the judgment of a majority of this body that nothing should be done in the way of investigating these allegations, I acquiesce in that; but I submit that as a matter of fairness we must come to a vote. We must have a roll call and be counted, and a majority must rule; and when that time comes, if it should come to-day, I shall acquiesce in the result as cheerfully as it is possible for one who is disappointed to do so.

Mr. President, the head of this trust is the General Electric Co. One of its chief subsidiaries is the Electric Bond & Share Co. Since this legislation has been pending in the Senate, announcement was made to the country from Wall Street by the General Electric Co. that the ownership of that one of its many subsidiaries, the Electric Bond & Share Co., should be changed. The Electric Bond & Share Co., itself a subsidiary, has, as a matter of fact, a large number of subsidiaries,

and many of these subsidiaries have in turn a large number of subsidiaries. So it starts at the head and runs down through various degrees.

All the stock of the Electric Bond & Share Co. is owned by the General Electric Co. The stock is owned by the corporation. It is part of the property of the corporation; and this announcement that has recently taken place is to the effect that this stock, owned by the corporation, shall be divided among the stockholders of the corporation. So, if anybody thinks that is a dissolution, he has another guess coming. If anybody thinks that that will remedy the situation, he has another guess coming. It is the same as though the Senator from Idaho [Mr. BORAH] who sits here at my side, and the Senator from Washington [Mr. JONES], and myself, were the stockholders of a corporation which we might designate as Corporation A. We own as a corporation, and hold in the hands of the treasurer of our corporation, all the stock of Corporation B. Now, we get together, and we say: "We will take the stock of Corporation B, and instead of owning it as a corporation we will divide it into three parts, or perhaps not into three parts; we will divide it into parts in proportion to the stock of the parent corporation that we own." That is what has happened.

I am not complaining of the General Electric Co. for doing this. It is their method of doing business. It does not change the facts; it does not change the ownership; and, as far as I know, they are not pretending that it does. But that is what has happened as far as any dissolution is concerned. There has been no dissolution. When they get through, the ownership will lie just where it lay before, as a matter of fact.

In the Washington Evening Star of December 31 there is an article on page 26, written by Mr. Stuart P. West—I think a man of acknowledged ability, particularly in the line of the articles he writes—in which he is describing this change of ownership, and from which I read:

General Electric had closed Tuesday night at 297. Right at the start to-day it sold at 310. Then, in the later trading, it went considerably higher still. The reason for the remarkable turnabout was that Wall Street had not realized what the distribution of General Electric interests in its public utilities would mean for holders of the parent company stock. On the old basis of 250,000 shares of Electric Bond & Share common, all owned by General Electric, the earnings figured out \$40. On the new basis of 1,850,000 shares the earnings nominally appeared to be only \$5.25, which were pretty low for a stock that was pushed up violently far above par.

You will understand that in deciding to distribute the stock of the Electric Bond & Share Co. among the shareholders of the General Electric Co. in proportion to the stock which those stockholders owned in the General Electric Co. it was necessary to increase the number of shares in order to divide it up easily. They had before, according to this writer, 250,000 shares. They increased those shares to the number of 1,850,000, and then gave to every stockholder of the General Electric Co. as many shares in the Electric Bond & Share Co. as he owned in the General Electric Co.

This writer goes on:

But the secret lay in the immensely valuable equities of the various properties in which the Electric Bond & Share Co. owns more than a half interest. Among these are American Gas & Electric, the common stock of which sells around 127; Lehigh Power, selling around 115; National Power & Light, around 240; Carolina Power, around 330; and American Power & Light, around 66. All these companies have been paying dividends very small in comparison with what they were earning.

Both National Power and Carolina Power are earning around \$60 a share, and Lehigh Power between \$20 and \$30. The explanation for the spectacular jump in General Electric to-day was simply that the Street was waking up to the potential value of the new Electric Bond & Share Co. stock, which is to be given, share for share, to owners of General Electric.

The Wall Street Journal had some comment on that in its issue of January 1. I will read parts of it. The heading is:

Electric Bond features trading—Unlisted market has most active stock in years in new General Electric holding company.

You must understand that this stock has not yet been physically issued. It will not be issued until the 15th of January, and yet the shares of stock to be issued in the future were traded in, as this article shows, in immense numbers and at immense values.

The Wall Street Journal said:

The biggest over-the-counter business in any unlisted stock since the "war boom" days developed in the new holding company stock

into which General Electric Co. is to place its 100 per cent common stock interest and 300 shares of preferred stock of Electric Bond & Share Co.

Mr. OVERMAN. Mr. President, may I ask the Senator a question?

Mr. NORRIS. Yes.

Mr. OVERMAN. I have been giving the Senator's remarks close attention. Why is it that the Attorney General does not begin proceedings in this case, as his department did against the American Tobacco Co. and against the Steel Trust? If all these facts have been furnished, why does not the Attorney General get busy and take action against these trusts?

Mr. NORRIS. I had hoped, Mr. President, if my resolution had passed and the Federal Trade Commission's investigation had shown that there was a violation of the antitrust law, that under the law they would turn the evidence over to the Attorney General, and he would take the necessary steps.

Mr. OVERMAN. We did not have any investigation of those great concerns, but the Attorney General brought suit and had them dissolved.

Mr. NORRIS. Yes. I can not answer the Senator's question. It may be that the facts surrounding the General Electric Co.'s holdings in all these subsidiary companies are so nicely arranged, so carefully cared for, that there is not a violation of the law. Regardless of whether there is or not, I want the investigation, first, to assist Congress in properly legislating, and if it should be disclosed that there was a violation, that the matter might be finally put before the Attorney General for his action.

Mr. OVERMAN. I understand the Senator wants to get the information, whether there is a violation of law or not?

Mr. NORRIS. That is one of the reasons for my offering the resolution.

Mr. WATSON. May I ask the Senator a question right in that connection?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. NORRIS. I yield.

Mr. WATSON. Assuming that the statements made by the Senator are correct, for the sake of the question, I am asking, if those things be true, if there be in existence or in contemplation a monopoly, or if there be unfair trade practices in the manner in which these various subsidiaries handle their business, has not the Federal Trade Commission, under the authority of the organic act creating it, the power now to investigate?

Mr. NORRIS. I could not answer the Senator's question with the assurance that I was technically correct, without myself looking up the act giving them jurisdiction. It may be that they have such jurisdiction.

Mr. WATSON. I think they have. It has not been long since I had occasion to examine into the authority of the Federal Trade Commission, and if these things be true, I am sure they have authority now to act, that is to say, to investigate. The Senator is familiar with their practice; he knows they investigate for the purpose of determining whether or not a complaint shall be filed.

Mr. NORRIS. Yes; I know they do that, but it is perfectly proper for the Senate to ask them to make the investigation, as has been done in similar cases many times before.

Mr. DIAL. Mr. President—

Mr. NORRIS. I yield.

Mr. DIAL. I would like to suggest to the Senator that some time ago I had referred to the Federal Trade Commission a resolution involving a matter less complicated than this, and it took the Federal Trade Commission over two years to file a report in that matter. That was a resolution involving dealing in cotton. If they took any such time as that on that resolution, they will not get a report in on this in time to be of assistance to the Senate in solving the question before it.

Mr. NORRIS. Mr. President, I am familiar with the question referred to by the Senator from South Carolina which was submitted to the Federal Trade Commission. I think it was submitted to them under a resolution which I myself brought in to the Senate from the Committee on Agriculture and Forestry, and it is not difficult to explain why it took them such a length of time to bring in a report on that matter. That involved the question of dealing in cotton, about which the Senators from the Cotton States are bitterly antagonistic in their views. They have tried to reach agreements on various questions regarding legislation with reference to cotton, and they are the ones who are the most widely divergent in their views. One branch of that question was submitted to the

Federal Trade Commission, and they made a report in due time. I know they had a very difficult question to solve, because the Committee on Agriculture and Forestry were not able to solve it satisfactorily, and the Senate has never been able to satisfactorily solve it; even the Senators from the Cotton States have never been able to agree on any line that would bring about a solution. The Senator from South Carolina very ably advocates a certain plan, but his colleagues from other States, even his colleague from his own State, do not agree with him; and as to who is right and who is wrong I do not care to debate now. That matter may come before the Senate in due time; but that has not anything to do with the question now before the Senate, as I look at it. If it did take the Federal Trade Commission what is deemed by the Senator from South Carolina to be too long a time, it does not follow, although this question may cover more territory and involve a wider scope and more interested parties, that it will take them too long a time to make a report on it.

Mr. WATSON. The resolution to which the Senator from South Carolina referred was one passed by the Senate, was it not?

Mr. NORRIS. It was.

Mr. WATSON. And sent to the Federal Trade Commission?

Mr. NORRIS. Yes; it was.

Mr. WATSON. So the mere fact of the passage of a resolution by the Senate does not appear to have speeded up the Federal Trade Commission in that particular instance?

Mr. NORRIS. I do not know. There would have been no investigation at all made, I take it, if the Senate had not passed the resolution.

Mr. WATSON. Does the Senator know that?

Mr. NORRIS. I do not know it, but I have no reason to think they were giving it any attention whatever. It was a matter which came before the Committee on Agriculture and Forestry originally, a question pertaining to some legislation upon which there was a very bitter controversy between cotton men. The resolution grew out of that. As far as I know, the Federal Trade Commission had never had it brought to their attention in any way before. May be they had; may be they had not. I do not know as to that.

Mr. DIAL. I have great confidence in the good intentions of the Senator from Nebraska, but I merely want to suggest to him that no good could result from this resolution at the present session of Congress. As far as the cotton resolution is concerned, I hope to bring it to a vote pretty soon in order that the Senate may settle it one way or the other. I do not think the southern Senators are as badly divided as my good friend from Nebraska would lead us to believe. Some are opposed to it, but I think a very large majority favor it. The Federal Trade Commission unanimously indorsed the position I took, and that should have a good deal of weight with other Senators.

Mr. NORRIS. Then the Senator has great confidence in the judgment reached by the Federal Trade Commission, and I should think if they did such good work on that resolution and satisfied him so completely he would not be objecting to their investigation of this proposition.

Mr. DIAL. The point I am making is that it took them entirely too long.

Mr. NORRIS. The Senator has had the resolution here for a long time, and he has not gotten any action of the Senate in the meantime in regard to it; the 4th of March is approaching, and the Senator's term will soon expire.

Mr. DIAL. Mr. President, I intend to ask the Senator from Nebraska to help me bring the resolution up in a day or two and get a vote on it. I need his powerful influence and help.

Mr. NORRIS. I am glad to know that the Senator approves the final judgment of the commission, although he did not get the judgment as quickly as he thought he ought to have gotten it. I am sorry to hear him now siding in with those who want to prevent the Federal Trade Commission from making an investigation in which practically all the people of the country are interested. In the case which he cited only cotton men were interested.

Now I shall continue to read from the Wall Street Journal. The article states:

The biggest over-the-counter business in any unlisted stock since the "war boom" days developed in the new holding company stock into which General Electric Co. is to place its 100 per cent common-stock interest and 300 shares of preferred stock of Electric Bond & Share Co.

For want of knowing the name of the new company, the stock is being traded in as "Electric Bond & Share new common stock" on a "when, as, and if issued" basis.

While initial trading started after the close Tuesday with the price ranging from 95 to 100, a heavy turnover developed early Wednesday, with sales as high as 108. Later in the day, however, demand quieted and the price gradually fell off. On transactions totaling about 1,000 shares the stock dropped from 97 to 90 and closed at 87 bid, 91 offered. One large New York house, which alone traded in more than 20,000 shares, estimated the day's total trading at over 150,000 shares.

All unlisted houses and member houses which have unlisted securities departments were actively in the market.

Further on the newspaper says:

There were few in the street that did not hold the opinion that, granting the undoubted values in Electric Bond & Share, General Electric was certainly worth more than twice the subsidiary holdings which it is to distribute. On this basis it was regarded as highly likely that General Electric's price would be far above the \$300 mark before it sells "ex," based on present market for the new stock.

I read that, Mr. President, to show what speculators and dealers in stocks in Wall Street think of the value of this great property, selling at a rate of over \$300 on the bond and stock market of the country in Wall Street. Since objection is made to the passage of this resolution and since, under the peculiar parliamentary situation, unanimous consent is required to pass it, I feel that I am justified in offering a little more evidence than I offered the other day tending to show that such a trust exists and its interest in the pending legislation. I would much rather this showing were made by a report of the Federal Trade Commission, in whose judgment, when they were through with the question, the Senate and the country would have more confidence than they would have in statements made by me on the floor of the Senate.

Again, Mr. President, the Federal Trade Commission is in better shape to get the real truth than I am. I have been trying to investigate this matter ever since out of the thin air came the so-called Underwood substitute to the committee bill, a bill that has never been investigated by any committee of the Senate. Hence this investigation is made necessary by this almost unheard-of procedure of those behind this Underwood substitute. They are responsible for the delay. They are responsible for heaping this mountain of work upon my weak shoulders, and the Senate by refusing to pass this resolution seems determined that I shall be compelled to bear the burden almost alone.

I have been doing the best I could, with such assistance as has been volunteered by various persons, in trying to get at the truth. I realize that in that kind of an investigation errors may creep in, however careful I or my assistants may be. I realize that if I myself were considering the results of my own investigation and the results of an investigation carried on by the Federal Trade Commission, if there were a difference between them, I would agree at once that the conclusions reached by the Federal Trade Commission would be entitled to more weight than mine, because I am not equipped, and my assistants are not equipped, to make such an investigation. We may sometimes be led astray; we may get information which we may think is from a reliable source, and it may turn out to be false. We may make honest mistakes, and it is an awful task, particularly in the branch of this investigation involving interlocking directorates, to trace out the thousands and thousands of connections, involving corporations scattered all over the United States, of the various directors and holders of stock in one or more of the various subsidiary companies. So that what I offer I know does not have behind it a verification that is entitled to as much weight as would be attached to an investigation made by the Federal Trade Commission. That is the reason I wanted to shift the burden to those better equipped in the first place to make it, and to put it upon the commission, the result of whose work, when it shall have been finished, would command more respect.

I am interrupted by the Senator from Indiana [Mr. WATSON] after I have made some statements about this thing being a trust, and he prefaces his question by saying, "Assuming that what the Senator says is true, assuming that he has stated the truth." I am not mentioning that in criticism, but that is what will come all along the line. It may be that somewhere, some place, more or less important mistakes will be found in what I have to present, but since I am prevented by action of the Senate from getting the information in the best form possible I am going to give it to the Senate and to the country in as good a form as I can.

I shall now read some extracts from the testimony taken by the Judiciary Committee on a resolution which the Senator from Alabama presented covering a matter which he asked the Judiciary Committee to investigate. Before that committee appeared Mr. Clapp, as well as some other witnesses, and Mr.

Clapp gave some testimony there, which is printed in the Record of the committee hearings, in regard to the General Electric and its various subsidiaries constituting a monopoly or trust, some of which I desire to read.

Mr. Clapp said, among a great many other things:

The Electric Power Trust in the United States consists of the General Electric Co. and its subsidiaries. Nearly 20 years ago the General Electric Co. formed the Electric Bond & Share Co., to act as a holding company for small light and power companies throughout the country. The extent to which the Electric Bond & Share Co. controls the public-utility business of the country is indicated in the circular which I hand you, issued on December 10, 1924, by Farson Son & Co., of 115 Broadway, New York, dealers in investment bonds. They are recommending the stock of the American & Foreign Power Co., a new holding company subsidiary of the Electric Bond & Share Co. This is what they say of the Electric Bond & Share Co.:

Now let us get the situation. The quotation from the statement which I am about to read comes from some stock dealers who are going to deal in, and sell the stock, if they can, and perhaps buy it too, of a new corporation. The American & Foreign Power Co., the new corporation, is a subsidiary of the Electric Bond & Share Co. which is itself a subsidiary of the General Electric Co., so it comes back to the General Electric Co. in a control of a majority of its stock or its real ownership. This advertisement, I presume it might be called, or statement issued by the brokers, would be considered as favorable as it could be made because they are going to handle the stock. They said:

The development and operation—

They are speaking of the American & Foreign Power Co. now—

The development and operation will be under the supervision of the Electric Bond & Share Co., whose entire issue of common stock, \$25,000,000, is owned by the General Electric Co.

So they themselves trace it right back to the General Electric Co.

The board of directors of the American & Foreign Power Co. will include: Mr. C. E. Mitchell, president of the National City Bank, New York; Mr. Owen D. Young, chairman of the board of the General Electric Co.; Mr. Clarence Dillon, of Dillon, Read & Co.; Mr. S. Z. Mitchell, president of the Electric Bond & Share Co.

The Electric Bond & Share Co. has for over 15 years successfully financed and supervised public-utility companies in the United States. Under their supervision at the present time are more than 100 companies with a total invested capital of approximately \$650,000,000 and serving a population estimated at 7,200,000. Every one of these companies has been successful.

Mr. Clapp then said:

The Electric Bond & Share Co. controls by stock ownership the following holding companies, each of which, except the last two, in turn hold individual public-utility companies.

In other words, the Electric Bond & Share Co. controls by stock ownership a list of companies the names of which I am about to read, but each one of those companies, except two, in turn own a whole lot of other public-utility companies. Here is the list of the immediate subsidiaries of the Electric Bond & Share Co.:

The American Gas & Electric Co. and subsidiaries, American Power & Light Co. and subsidiaries, American & Foreign Power Co. and subsidiaries, Carolina Power & Light Co. and subsidiaries, Lehigh Power Securities (Corp.), New Orleans Public Service Co. (Inc.), Power Securities (Corp.) and subsidiaries, Utah Securities Co. and subsidiaries, Dallas Power & Light Co., Dallas Railway Co.

Now I am going to pause there just a moment. One of those subsidiaries is already in the third degree. First, the General Electric Co. owns the Electric Bond & Share Co.; the Electric Bond & Share Co. owns the companies the names of which I have just read, and one of those companies is the American & Foreign Power Co. The American & Foreign Power Co. is in the third degree away from the General Electric Co., but a majority of its stock is owned and controlled absolutely by that company. Let us take the American & Foreign Power Co. for example.

On this page [exhibiting] is a list of the subsidiaries of that one company. It is in the third degree itself, and here are subsidiaries in the fourth and fifth degrees, an entire page of two columns with the names of those companies. Remember now that the American & Foreign Power Co. is a subsidiary of the Electric Bond & Share Company, which is a subsidiary of the General Electric Co. I ask unanimous

consent to have printed in the RECORD this list of the subsidiaries of the American & Foreign Power Co.

The PRESIDING OFFICER (Mr. LADD in the chair). Without objection it is so ordered.

The list referred to is as follows:

General field directory

C-Coal G-Gas I-Ice R-Railway T-Telephone
E-Electric H-Hot Water M-Merchandise S-Steam Heating W-Water Heating

Group	Service	Field executive	N. Y. sponsor
<i>American & Foreign Power Co. (Inc.)</i>			
CUBA			
Camaguey Electric Co., S. A., Camaguey, Cuba.	E. R. I.	R. W. Cryder, admintdr.	Harrsen Griffith (Eng.)
Cia. Cubana de Electricidad, S. A., Santa Clara, Cuba.	E. & I.	L. C. Bewsey, admintdr.	Harrsen Griffith (Eng.)
Cia. Cubana de Hielo, S. A., Santa Clara, Cuba.	I.	L. C. Bewsey, admintdr.	Harrsen Griffith (Eng.)
Cia. de Electricidad de Cardenas, S. A., Cardenas, Cuba.	E.	A. K. Jones, admintdr.	Harrsen Griffith (Eng.)
Cia. de Servicios Pub. "Madrazo," S. A., Ciego de Avila, Cuba.	E. I. W.	P. E. Rainwater, admintdr.	Harrsen Griffith (Eng.)
Cia. de Electricidad, Manzanillo, Cuba.	E.	G. W. MacCracken, admintdr.	Harrsen Griffith (Eng.)
Cia. de Servicios Publicos, S. A., Bayamo, Cuba.	E. & I.	E. A. Spencer, admintdr.	Harrsen Griffith (Eng.)
Cia. El. de Alum. y Trac. de Santiago, Santiago de Cuba.	E. & R.	J. S. Dales, admintdr.	Harrsen Griffith (Eng.)
Cia. Electrica de Cienfuegos, S. A., Cienfuegos, Cuba.	E.	E. A. Graham, admintdr.	Harrsen Griffith (Eng.)
Electrica Madrazo, Manzanillo, Cuba.	E. & W.	G. W. MacCracken, admintdr.	Harrsen Griffith (Eng.)
Oriente Interurban Elec. Co. (Inc.), Santiago de Cuba.	E.	J. S. Dales, admintdr.	Harrsen Griffith (Eng.)
GUATEMALA			
American Foreign Power & Light Co., Guatemala City, C. A.	E.	Ernesto Schaeffer, G. M.	Harrsen Griffith (Eng.)
Empresa del Alumbrado El. del Norte, Guatemala City, C. A.	E.	Ernesto Schaeffer, G. M.	Harrsen Griffith (Eng.)
Empresa Electrica de Escuintla, Escuintla, Guatemala, C. A.	E.	Ernesto Schaeffer, G. M.	Harrsen Griffith (Eng.)
PANAMA			
Cia. Panamena de Fuerza y Luz: Panama, R. de P. Colon, R. de P.	E. & I.	C. F. MacMurray, V. P. & G. M.	Darbee Griffith (Eng.)
Cia. Panamena de Telefonos: Panama, R. de P. Colon, R. de P.	E. & I.	W. F. Grimes, Jr., Supt.	Darbee Griffith (Eng.)
Cia. Panamena de Telefonos: Panama, R. de P. Colon, R. de P.	T.	C. F. MacMurray, V. P. & G. M.	Darbee Griffith (Eng.)
Panama Electric Co.: Panama, R. de P.	E. & R.	J. W. Duvall, Actg. Supt.	Darbee Griffith (Eng.)
American Power & Light Co. Citizens Gas & Electric Co., Council Bluffs, Iowa.	E. & G.	C. F. MacMurray, V. P. & G. M.	Grenier-McGee Hershey (Eng.)
Eagle Pass Water Co., Eagle Pass, Tex.	W.	C. E. Calder, T. S. Wyche, V. P. & Mgr.	Grenier Hershey (Eng.)
El Paso Gas Co., El Paso, Tex.	G.	K. L. Simons, V. P. & G. M.	Grenier Burdick (Eng.)
Fort Worth Power & Light Co., Fort Worth, Tex.	E.	A. J. Duncan, Pres. & G. M.	Grenier Hershey (Eng.)
Galveston Gas Co., Galveston, Tex.	G.	P. E. Nicholls, V. P. & G. M.	Grenier Burdick (Eng.)
International Electric Co., Eagle Pass, Tex.	E.	C. E. Calder, T. S. Wyche, V. P. & Mgr.	Grenier Hershey (Eng.)
Kansas Gas & Electric Co., general office, Wichita, Kan.: Arkansas City, Kans.	E. & G.	L. O. Ripley, V. P.; H. S. Sladen, G. M.	Grenier Hershey (Eng.)
El Dorado, Kans.	E.	C. B. Tingley, D. Mgr.	
Hutchinson, Kans.	G.	H. C. Cox, D. Mgr.	
Independence, Kans.	E.	Sam'l Mountain, D. Mgr.	
Newton, Kans.	E.	W. R. Murrow, D. Mgr.	
Pittsburg, Kans.	E. & G.	J. D. Nicholson, D. Mgr.	
Wichita, Kans.	E. & G.	T. F. Cole, D. Mgr.	
Miami Beach Properties, Miami Beach, Fla.	E. & R.	H. S. Sladen, G. M.	

General field directory—Continued

Group	Service	Field executive	N. Y. sponsor
<i>American Power & Light Co.—Continued</i>			
Miami Gas Property, Miami, Fla.	G.	G. C. Estill.	
Minnesota Power & Light Co., general office, Duluth, Minn.: Cloquet, Minn.	E. & S.	W. S. Robertson, V. P. & G. M.	McGee Tibbals (Eng.)
Duluth, Minn.	E.	W. J. Wilkinson, D. Mgr.	
Eveleth, Minn.	E. & S.	C. J. Snyder, D. Mgr.	
Little Falls, Minn.	E.	E. A. Kefgen, D. Mgr.	
Nebraska Power Co., Omaha, Nebr.	E.	A. V. Taylor, D. Mgr.	
Oil Belt Power Co., Eastland, Tex.	E.	J. E. Davidson, V. P. & G. M.	Grenier-McGee Hershey (Eng.)
Oil Cities Electric Co., Eastland, Tex.	E. & I.	C. E. Calder, V. P.; J. E. Lewis, V. P. & G. M.	Grenier Hershey (Eng.)
Pacific Power & Light Co., general office, Portland, Oreg.: Astoria, Oreg.	E., G., W.	C. E. Calder, V. P.; J. E. Lewis, V. P. & G. M.	Grenier Westcott (Eng.)
Dayton, Wash.	E. & G.	G. W. Talbot, Pres.; L. A. McArthur, V. P. & G. M.	
Goldendale, Wash.	E.	B. P. Bailly, D. Mgr.	
Hood River, Oreg.	E.	R. H. Skill, D. Mgr.	
Kennewick, Wash.	E. & W.	W. H. Till, D. Mgr.	
Lewiston, Idaho.	G.	H. E. Baker, D. Mgr.	
Pasco, Wash.	E.	H. W. Cooper, D. Mgr.	
Pendleton, Oreg.	E. & G.	R. J. Jenks, D. Mgr.	
Pomeroy, Wash.	E.	H. W. Cooper, D. Mgr.	
Prosser, Wash.	E.	F. W. Vincent, D. Mgr.	
Seaside, Oreg.	E.	G. W. Turner, D. Mgr.	
Sunnyside, Wash.	E.	J. C. Gest, D. Mgr.	
The Dalles, Oreg.	E.	E. W. Rouleau, D. Mgr.	
Toppenish, Wash.	E.	F. N. Florine, D. Mgr.	
Vancouver, Wash.	G.	J. B. Kilmore, D. Mgr.	
Walla Walla, Wash.	E. & G.	G. L. Corey, D. Mgr.	
White Salmon, Wash.	E.	W. D. Myers, D. Mgr.	
Yakima, Wash.	E., G., W.	R. B. Bragg, D. Mgr.	
Paris Transit Co., Paris, Tex.	R.	H. Anderson, D. Mgr.	
Portland Gas & Coke Co., Portland, Oreg.	G.	G. C. Sawyer, D. Mgr.	
Sweetwater Ice & Cold Storage Co., Sweetwater, Tex.	I.	C. E. Calder, W. N. Munroe, V. P. & Mgr.	Grenier Hershey (Eng.)
Texas Power & Light Co., general office, Dallas, Tex.: Bonham, Tex.	E. & G.	G. W. Talbot, Pres.; Hilmar Papst, V. P. & G. M.	Grenier Burdick (Eng.)
Brownwood, Tex.	E.	C. E. Calder, L. J. Geer, V. P. & Mgr.	Grenier Hershey (Eng.)
Cleburne, Tex.	E.	C. E. Calder, Pres.; J. W. Carpenter, V. P. & G. M.	Grenier Hershey (Eng.)
Commerce, Tex.	E.	W. T. Smith, D. Mgr.	
Denison, Tex.	E.	W. P. Murphy, D. Mgr.	
Ennis, Tex.	E.	C. L. Browning, D. Mgr.	
Gainesville, Tex.	E.	Ray Kelly, D. Mgr.	
Hillsboro, Tex.	E.	W. C. Green, D. Mgr.	
McKinney, Tex.	E.	R. F. Sikes, D. Mgr.	
Palestine, Tex.	E.	J. B. Piper, D. Mgr.	
Paris, Tex.	E. & G.	Thomas Cook, D. Mgr.	
Sherman, Tex.	E.	E. F. Renken, D. Mgr.	
Taylor, Tex.	E.	J. T. McDonald, D. Mgr.	
Temple, Tex.	E.	W. N. Munroe, D. Mgr.	
Terrell, Tex.	E.	J. H. Durning, D. Mgr.	
		V. D. Mann, D. Mgr.	
		F. M. Wilkerson, D. Mgr.	
		H. W. Garrett, D. Mgr.	

General field directory—Continued

Group	Service	Field executive	N. Y. sponsor
<i>American Power & Light Co.—Continued</i>			
Texas Power & Light Co., general office, Dallas, Tex.—Continued.			
Tyler, Tex.	E.	J. H. Calhoun, D. Mgr.	
Waco, Tex.	E. & G.	T. H. Williams, D. Mgr.	
Waxahachie, Tex.	E.	C. T. Nall, D. Mgr.	
Texas Public Utilities Co., Dallas, Tex.	E. & I.	C. E. Calder, Pres.; J. W. Carpenter, V. P. & G. M.	Grenier, Hershey (Eng.).
West Texas Electric Co., Sweetwater, Tex.	E.	C. E. Calder, L. J. Geer, V. P. & Mgr.	Grenier, Hershey (Eng.).
Wichita Falls Electric Co., Wichita Falls, Tex.	E.	C. E. Calder, P. A. Rogers, V. P. & Mgr.	Grenier, Hershey (Eng.).
Yakima Central Heating Co., Yakima, Wash.	S.	G. C. Sawyer, Mgr.	Grenier, Westcott (Eng.).
CAROLINA			
Asheville Power and Light Co., Asheville, N. C.	E. G. R.	C. S. Walters, V. P. & G. M.	Darbee Brundige (Eng.).
Carolina Power & Light Co., general office, Raleigh, N. C.; Clinton, N. C.	E. G. R.	P. A. Tillery, V. P. & G. M.	Darbee Brundige (Eng.).
Dunn, N. C.	E.	M. L. Matthews, D. Mgr.	
Durham, N. C.	E.	C. T. Isley, D. Mgr.	
Franklinton, N. C.	G.	R. I. Thompson, D. Mgr.	
Goldsboro, N. C.	E.	D. McC. Sloan, D. Mgr.	
Henderson, N. C.	E.	H. F. Lee, D. Mgr.	
Mt. Olive, N. C.	E.	D. McC. Sloan, D. Mgr.	
Oxford, N. C.	E.	H. F. Lee, D. Mgr.	
Raleigh, N. C.	E.	R. S. Gray, Jr., D. Mgr.	
Raleigh, N. C.	E.	H. M. Tyler, D. Mgr.	
Raleigh, N. C.	G.	A. F. Kersting, D. Mgr.	
Raleigh, N. C.	R.	Benj. Tongue, D. Mgr.	
Sanford, N. C.	E.	F. P. Strong, D. Mgr.	
North Carolina Electrical Power Co., Asheville, N. C.	E.	C. S. Walters, G. M.	Darbee Brundige (Eng.).
Yadkin River Power Co., general office, Raleigh, N. C.; Bishopville, S. C.	E.	P. A. Tillery, V. P. & G. M.	Darbee Brundige (Eng.).
Cheraw, S. C.	E.	O. L. Bradshaw, D. Mgr.	
Darlington, S. C.	E.	J. S. Bourne, D. Mgr.	
Dillon, S. C.	E.	T. M. White, D. Mgr.	
Florence, S. C.	E.	Weisner Farmer, D. Mgr.	
Hamlet, N. C.	E.	C. Thayer, D. Mgr.	
Hartsville, S. C.	E.	J. F. Knowlen, D. Mgr.	
McColl, S. C.	E.	G. T. McElderry, D. Mgr.	
Marion, S. C.	E.	J. F. Knowlen, D. Mgr.	
Maxton, N. C.	E.	T. D. Ector, D. Mgr.	
Rockingham, N. C.	E.	D. L. Cannon, D. Mgr.	
Timmons, S. C.	E.	C. E. D. Egerton, D. Mgr.	
Wadesboro, N. C.	E.	C. Thayer, D. Mgr.	
DALLAS			
Dallas Power & Light Co., Dallas, Tex.	E.	J. E. Kaufman, D. Mgr.	
Dallas Railway Co., Dallas, Tex.	R.	C. E. Calder, Pres.; C. W. Davis, V. P. & G. M.	Grenier, Hershey (Eng.).
Texas Interurban Railway, Dallas, Tex.	R.	R. Meriwether, V. P. & G. M.	Grenier, Hershey (Eng.).
IDAHO			
Boise Valley Traction Co., Boise, Idaho.	R.	C. E. Calder, V. P.; R. Meriwether, V. P. & G. M.	Grenier, Hershey (Eng.).
Idaho Power Co., G. O.: Boise, Idaho.	E.	W. R. Putnam, V. P. & G. M.; R. B. King, Gen'l Supt.	McGee Westcott (Eng.).
Boise, Idaho.	E.	J. W. Crowe, D. Mgr.	

General field directory—Continued

Group	Service	Field executive	N. Y. sponsor
<i>American Power & Light Co.—Continued</i>			
IDAHO—continued			
Idaho Power Co., G. O.—Continued.			
Payette, Idaho.	E.	J. D'Orr, D. Mgr.	
Pocatello, Idaho.	E.	D. C. Brown, D. Mgr.	
Twin Falls, Idaho.	E.	Charles Neely, D. Mgr.	
Nevada Power Co., Boise, Idaho.	E.	W. R. Putnam, V. P. & G. M.	McGee Westcott (Eng.).
National Power & Light Co.			
Arkansas Central Power Co., Little Rock, Ark.	E. & R.	C. J. Griffith, V. P. & G. M.	Simonds Branch (Eng.).
Birmingham Electric Co., Birmingham, Ala.	E, R, G, S.	J. S. Pevear, G. M.	Smith, R. H. Branch (Eng.).
Birmingham & Edgewood El. Ry. Co., Birmingham, Ala.	R.	J. S. Pevear, G. M.	Smith, R. H. Branch (Eng.).
Houston Lighting & Power Co., Houston, Tex.	E.	S. R. Bertron, Jr., V. P. & G. M.	Grenier Hershey (Eng.).
Inter-City Terminal Railway Co., Little Rock, Ark.	R.	C. J. Griffith, G. M.	Simonds Branch (Eng.).
Knoxville Power & Light Co., Knoxville, Tenn.	E & R.	C. H. Harvey, Pres.	Smith, R. H. Branch (Eng.).
Memphis and Lake View Railway Co., Memphis, Tenn.	R.	T. H. Tutwiler, Pres.	Simonds Moore, E. E. (Eng.).
Memphis Power & Light Co., Memphis, Tenn.	E & G.	T. H. Tutwiler, Pres.	Simonds Moore, E. E. (Eng.).
Memphis Street Railway Co., The, Memphis, Tenn.	R.	T. H. Tutwiler, Pres.; E. W. Ford, V. P.	Simonds Moore, E. E. (Eng.).
NEW ORLEANS			
New Orleans Public Service, Inc., New Orleans, La.	E, G, R.	H. B. Flowers, Pres.; A. B. Patterson, V. P.	Moore, E. E. (Eng.).
PENNSYLVANIA			
Citizens Electric Co., Williamsport, Pa.	E.	P. B. Sawyer, L. W. Heath, D. Mgr.	Sawyer-Darbee Howell (Eng.).
Citizens Electric Light & Power Co., Hughesville, Pa.	E.	P. B. Sawyer, L. W. Heath, D. Mgr.	Sawyer-Darbee Howell (Eng.).
Coopersburg Electric Light, Heat & Power Co., Coopersburg, Pa.	E.	P. B. Sawyer, D. A. Elias, D. Mgr.	Sawyer-Darbee Howell (Eng.).
Hagerstown Light & Heat Co. of Washington Co., Hagerstown, Md.	G.	P. B. Sawyer, Pres.; J. W. Lynch, D. Mgr.	Sawyer-Darbee Howell (Eng.).
Harwood Coal Co., Hazleton, Pa.	C.	P. B. Sawyer, Pres.; J. B. Wariner, G. M.	Sawyer-Darbee Howell (Eng.).
Harwood Store Co., Hazleton, Pa.	M.	P. B. Sawyer, Pres.; J. B. Wariner, D. Mgr.	Sawyer-Darbee Howell (Eng.).
Honesdale Cons. Lt., Ht. & Pr. Co., Honesdale, Pa.	E.	P. B. Sawyer, W. C. Anderson, D. Mgr.	Sawyer-Darbee Howell (Eng.).
Lehigh Valley Transit Co., Allentown, Pa.	R.	P. B. Sawyer, Pres.; H. H. Patterson, V. P. & G. M.	Sawyer-Darbee Howell (Eng.).
Macungie Electric Light & Power Co., Macungie, Pa.	E.	P. B. Sawyer, J. Truman, Jr., G. M.	Sawyer-Darbee Howell (Eng.).
Millville Electric Light Co., Millville, Pa.	E.	P. B. Sawyer, W. R. Rhoades, G. M.	Sawyer-Darbee Howell (Eng.).
Paupack Electric Co., Hawley, Pa.	E.	P. B. Sawyer, W. C. Anderson, D. Mgr.	Sawyer-Darbee Howell (Eng.).
Pennsylvania Power & Light Co., G. O.: Allentown, Pa.	E, G, S.	P. B. Sawyer, V. P. & G. M.	Sawyer-Darbee Howell (Eng.).
Allentown, Pa.	E.	J. S. Wise, Jr., Opr. Mgr.	
Bethlehem, Pa.	E.	J. H. Truman, Jr., D. Mgr.	
Hawley, Pa.	E.	D. A. Elias, D. Mgr.	
Hazleton, Pa.	E.	W. C. Anderson, D. Mgr.	
Shenandoah, Pa.	E.	W. M. Dyatt, D. Mgr.	
Sanbury, Pa.	E & G.	P. A. McCarron, D. Mgr.	
Wilkes-Barre, Pa.	E, G, S.	W. R. Rhoades, D. Mgr.	
Williamsport, Pa.	E & G.	E. A. Wakeman, D. Mgr.	
Perkiomen Group, Pennsburg, Pa.	E.	L. W. Heath, D. Mgr.	
Phillipsburg Transit Co., Phillipsburg, N. J.	R.	P. B. Sawyer, D. Mgr.	Sawyer-Darbee Howell (Eng.).
Schuylkill Electric Co., Girardville, Pa.	E.	E. Titus, Supt.	Sawyer-Darbee Howell (Eng.).
Shenandoah Light Heat & Power Co., Shenandoah, Pa.	G.	P. B. Sawyer, P. A. McCarron, D. Mgr.	Sawyer-Darbee Howell (Eng.).

General field directory—Continued

Group	Service	Field executive	N. Y. sponsor
<i>National Power & Light Co.—Continued</i>			
PENNSYLVANIA—continued			
Williamsport Street Railway Props., Williamsport, Pa.	R	P. B. Sawyer, L. W. Heath, D. Mgr.	Sawyer-Darbee Howell (Eng.).
UTAH			
Utah Light and Traction Co., Salt Lake City, Utah.	R	D. C. Green, V. P., H. F. Dicke, G. M.	McGee-Sawyer Westcott (Eng.)
Utah Power & Light Co., general office, Salt Lake City, Utah.	E, G, S	D. C. Green, V. P., & G. M., M. Cheever, Ch. E. & G. S.	McGee-Sawyer Westcott (Eng.)
Bingham, Utah	E	J. B. Meyers, D. Mgr.	
Idaho Falls, Idaho	E	C. A. Wolfrom, D. Mgr.	
Logan, Utah	E	E. R. Owen, D. Mgr.	
Ogden, Utah	E & G	A. P. Merrill, D. Mgr.	
Park City, Utah	E	J. W. O'Brien, D. Mgr.	
Provo, Utah	E	Roy Timmerman, D. Mgr.	
Salt Lake City, Utah	E & S	H. M. Ferguson, D. Mgr.	
Western Colorado Power Co., Durango, Colo.	E	D. C. Green, V. P., J. A. Clay, G. M.	McGee-Sawyer Westcott (Eng.).

Mr. NORRIS. That company is only one of the subsidiaries of a subsidiary of a subsidiary. Trace each one of them out and we would have a list that would cover not only the United States but a fair share of the world. It will be found on reading the list that I have just put in the Record that there are a large number of subsidiary corporations, including some in Cuba, Guatemala, Panama, Idaho, Texas, Carolina, Louisiana, Pennsylvania, and Utah.

Would it not be interesting for the Senate to have all of these subsidiaries traced out to their ultimate end? Would it not be interesting for the country to have them all traced out, their connections particularly and definitely outlined and fixed? That is what the resolution provides; and if it were passed, I do not believe there would be any Senate or Congress which would dare to turn Muscle Shoals over to the Alabama Power Co. or any other company. It will be found upon investigation, and it is admitted on the floor of the Senate, that the Alabama Power Co. is one of the subsidiary companies that traces its parentage back to the General Electric Co.

Mr. Clapp, in his testimony before the Judiciary Committee, gave some other illustrations. I have taken one of those subsidiaries in the third degree, namely, the American & Foreign Power Co., and printed in the Record a list of its subsidiaries. Another one of the direct subsidiaries of the Electric Bond & Share Co. is the American Gas & Electric Co., said Mr. Clapp, and the American Gas & Electric Co. has in turn 37 subsidiaries. I could give a list of those. Perhaps it might be interesting here to do that. I will give some of their subsidiaries, but I do not have them all:

The Electric Co. of America, the Atlantic City Electric Co., Ohio Power Co., Indiana General Service Co., Kentucky and West Virginia Power Co. (Inc.), Benton Harbor-St. Joe Railway & Light Co., Ohio Service Co., Northwestern Ohio Light Co., West Virginia Water & Electric Co., Rockford Electric Co., Scranton Electric Co., Wheeling Electric Co., Indiana and Michigan Electric Co. Those are a few of them, although altogether they have from this company alone 37 subsidiaries.

Now, the American Power & Light Co. is another subsidiary of the Electric Bond & Share Co., but they in turn have 18 subsidiaries. The American Electric Power Co. has a lot of subsidiaries, but I will only read some of them:

Altoona & Logan Valley Electric Railway Co.; Lakemont Park Co.; Logan Valley Bus Co.; Home Electric Light & Steam Heating Co.; Logan Light & Power Co.; Chicago & Joliet Electric Co.; Chicago & Joliet Transportation Co.; Dellwood Park Co.; The Franklin Real Estate Co.; National Gas, Electric Light & Power Co.; Monmouth Lighting Co.; Lynchburg Traction & Light Co.; Lynchburg Water Power Co.; The Peakland Corporation; Roanoke Traction & Light Co.; Roanoke Railway & Electric Co.; Scranton Railway Co.; Scranton Bus Co.; Scranton, Dunmore & Moosic Lake Railroad Co.; The Springfield Railway Co.; Wilmington & Philadelphia Traction Co.; Wilmington Light & Power Co.; Warsaw Gas Co.; Southern Pennsylvania Traction Co.; Southern Pennsylvania Bus Co.;

Chester County Light & Power Co.; Wilmington, New Castle & Delaware City Railway Co.; The Peoples Railway Co.; Chester & Eddystone Street Railway Co.; Electric Securities Co.; Electric Co. of New Jersey; Carbondale Gas Co.; Ohio Valley Electric Railway Co.; Consolidated Power & Light Co.; Ashland Interurban Railway Co.; Ashland & Ironton Tr. & Ferry Co.; Boyd County Electric Co.; The Ironton Electric Co.; The Peoples Railway Co.; Goshen Gas Co.; Joplin Gas Co.; Niles Gas Light Co.; Portsmouth Gas Co.; Quincy Gas, Electric & Heating Co.

Mr. President, I might go on at some further length showing control by stock ownership. I have only given a few samples. I think I will stop on that line and say something about another means of control. It is not only through stock ownership that the General Electric Co. and its subsidiaries control the electric world, but it is through interlocking directorates as well. For instance, in the Alabama Power Co. there is not only a connection interlocking the directorates, but there is a stock ownership as well. It is not a majority of stock ownership in that case. It is a minority. Often it is sufficient to have a reasonable minority in order to control. But that, in connection with an interlocking directorate system, makes it complete.

Mr. FESS. Mr. President—

Mr. NORRIS. I will yield to the Senator from Ohio in just a moment.

For instance, the interlocking directors of the Alabama Traction, Light & Power Co. have been S. F. Mitchell and C. E. Grosbeck. Mitchell is president and Grosbeck is vice president of the Electric Bond & Share Co.

It should be noted—and I think I called attention to the fact the other day—that the Alabama Traction, Light & Power Co. no longer exists. It was a Canadian company owned by foreign capital, and that company owned all the stock of the Alabama Power Co., but the Alabama Power Co., seeing, I presume, that their chances of getting anything in America would be better if they were American owned rather than foreign owned, had their status changed. So only a few months ago the English company was transformed into an American company; in other words, it organized as—I do not have its name here, and I am speaking from memory, but I put the name into the Record the other day—I think it was the Southeastern Power Co., in the State of Maine, and the Canadian company was dissolved. So the Southeastern Power Co. of Maine owns the stock of the Alabama Power Co. The stockholders are, perhaps, not changed; I do not know as to that; but at least the Canadian corporation which was holding this stock went out of business and it organized as an American company to do the same thing, which they are now doing. They are connected with the General Electric Co. and its subsidiaries by stock ownership. I think one of the subsidiaries of the General Electric Co. owns between 18 and 20 per cent of the stock of the Southeastern Power Co. of Maine, which holds all of the stock of the Alabama company. Now I yield to the Senator from Ohio.

Mr. FESS. The Senator from Nebraska mentioned one public utility which is operating in my home town. I am wondering whether, if there were not great capital like the General Electric Co. back of an industry like the electric railway to which I am referring, which is running at a loss, we would have that company at all?

Mr. NORRIS. It is possible that the Senator's home town would not have it at all or, perhaps, would have it on a better basis. Perhaps in the manipulation by which the control was secured there may have been nothing underhanded; yet it is sometimes a good thing to lose at one end in order to make a big profit at the other.

I will now call the Senator's attention to something which I have tried to verify, but as yet I have not been able to do so. I got the information from a source which I think to be perfectly reliable, however. The Alabama Power Co., in building a dam on the Coosa River, Ala., which they leased under the general leasing and dam act of the United States, purchased a couple of generators producing 30,000 horsepower. They were very expensive. The company bought them from the General Electric Co., and the information I have is that the General Electric Co.'s price for the material was higher than the price of any other concern; but they bought it of the General Electric Co. because they were in reality buying it of themselves, for they are a part of the same trust, a part of the same monopoly, a part of the same system. So it did not make much difference how much they paid; they were glad in many instances to pay a big price, because when they come to deal with the Alabama Public Service Commission in the fixing of rates which the people must pay for the electricity they can get rates that will allow a reasonable return on what their facil-

ities cost. So that they can say at that time, "This cost so many million dollars." Thus they have a double incentive for making such purchases, although they could be made at a cheaper price. It enables them later on to demand a price for their product for which the consumer pays them that is higher than he would have to pay if their income were based on a lower valuation, and at the same time a greater profit is made on the article purchased.

I do not know about the railroad to which the Senator from Ohio [Mr. FESS] has referred. It may be that if all the watered stock were crushed out of that railroad it would be found that it was making a big profit. That has been shown in evidence which has been adduced in the Senate as to many railroads. For instance, the San Francisco publicly owned street railroad, operating on a 5-cent fare, is making money, and even the privately owned railroad which was competing with it does the same thing. It has been shown that street railroads are doing the same thing in other cities. I can not say there may not be some instances where such railroads would be operated at a loss, for even a trust may make a mistake in investment; but the chances are that that would not be true. The circular from which I read just a little while ago from the Wall Street brokers, who were selling the securities of one of the subsidiaries, stated that every single one of the various subsidiaries of the General Electric Co. was successful; and I presume that could probably be demonstrated and proved.

Mr. FESS. The case I have in mind is in a city of 70,000 inhabitants. It is that of the street railway which is running at a loss. It is operating one-man cars in order to save money, but that line is still being run. I have no interest whatever in the matter, except for the public. The question is whether that street railway could continue in operation very long unless that railroad were backed by large capital. We expect it to continue so long as the electric company controls it. I think, however, that if some such company did not control it we would not have that service at all. It would all go into buses and automobiles.

Mr. NORRIS. The Senator is entitled to his opinion, of course; but, in substance, as I look at it his position is about this: "This street railway is running at a loss"—I doubt that very much; I have an idea that, if properly investigated, the facts would show that it is not running at a loss if its income be figured on its real value—"we want it to continue to run, and, therefore, we want this great, big trust to own it, because they are so good that they will come out in my home town and there operate a street railway at a loss. They are philanthropists; they are Christian gentlemen; they do not want to make money; they are not in this business to make money; and they come out into Ohio and they operate a railroad at a daily loss because they love the dear people and they want to carry them cheaply on their railroads."

The Senator will wake up some day to a realization that this trust, as any other trust or combination, is not in business for its health or for religious or philanthropic purposes. It is in business for the purpose of making money, but I suppose, being operated by human beings, it sometimes makes mistakes and sometimes suffers a loss, but it gets out of it just as quickly as it can.

Mr. FESS. The Senator will agree that trolley lines are discontinuing operation, and in many instances are running at a loss.

Mr. NORRIS. I think that some of them are.

Mr. FESS. Then what is the significance of the Senator's statement that they are benevolent institutions?

Mr. NORRIS. I took that from the Senator's statement. That is not my belief, and if the Senator has the idea that I so believe he has still a guess coming. I based what I said on the Senator's statement when he said, "We want them to run; they are running at a loss; they are serving us; a great trust is doing such a philanthropic act as to operate a street railway in my town and are getting no money from the operation."

Mr. FESS. Is the Senator aware that there are a great number of railroads that are running at a loss whose operations the Interstate Commerce Commission will not permit to be discontinued? Are they, too, running as benevolent institutions?

Mr. NORRIS. They are not running at a loss—

Mr. FESS. Then is the Government to be condemned for permitting them to run at a loss?

Mr. NORRIS. The Government is not to be condemned.

Mr. FESS. Is the Interstate Commerce Commission to be condemned?

Mr. NORRIS. If a railway, out of a clear sky, says, "We are running at a loss," the Senator from Ohio would accept that statement as the gospel truth and never question it, but I would not. I would like to look into it and see whether they were running at a loss. When they repaired their engines during the six months' period when the Government was guaranteeing a return, I would want to see whether they did not bulge up the prices to make a difference during those six months of several million dollars. I have forgotten the exact amount, but it was distinctly shown that it was done.

Mr. BROOKHART. I think to the extent of \$700,000,000 or \$800,000,000.

Mr. NORRIS. I would want to know, Mr. President, before I acquiesced in the statement of the Senator from Ohio just how it comes about. I would want to know how much water there was in the stock. The Senator from Ohio would not care about that.

Mr. FESS. What does the water have to do with the expense of operation?

Mr. NORRIS. It has a great deal to do with it. If it does not have anything to do with it, why do they put the water in the stock? If it is not of some benefit, why do they not leave it out? Does the Senator want to put more water in the stock of the other companies?

Mr. FESS. Well, what has the water to do with the expense of operation?

Mr. NORRIS. The water has something to do with what they will claim later on and what a particular railroad may be claiming as the investment upon which they want the people to pay tariffs in order to enable them to make a profit. That is what water has to do with it.

Mr. FESS. Suppose a railroad stock is 50 per cent water; how does that affect the expense of its operation?

Mr. NORRIS. Because the railroad company would say it was running at a loss, and Senators like the Senator from Ohio would be right here interrupting and saying, "Here, this company is running at a loss; it does not pay anything on its capital stock; they can not pay any dividends."

Mr. FESS. I have said nothing about the loss on watered stock, because there is no loss on that.

Mr. NORRIS. Yes; but the watered stock is part of the railroad's capital. Why do they want to put it in if it is of no particular account? Is it not true that the transactions in Wall Street have been based on the bonds, and has it not been true hundreds and hundreds of times that more than 50 per cent of water has been put in and that eventually all of the watered stock has been lifted up and that burdens in the shape of rates have been placed upon the consuming public to such an extent that a profit has been paid even upon the water?

But, Mr. President, it may be that electric railways will have to pass out of existence. Maybe they will lose some money on a lot of these railways, because the country is developing and improving and new inventions are coming on. The man who has a sickle on his hands from the olden days could not sell it now for much. The scythe put him out of business. The cradle put the sickle out of business, and there is now very little use for the cradle in harvesting wheat. The self-rake and the self-dropper put them out of business, and afterwards they were put out of business by the self-binder, and now the self-binder is going out of business, and so on; and that may happen even to a trust.

Mr. BROOKHART. Mr. President—

Mr. NORRIS. I yield to the Senator from Iowa.

Mr. BROOKHART. In reference to the watered-stock proposition, the Burlington Railroad, for instance, put a lot of water into their stock, and then afterwards the commission found that \$150,000,000 of that was validated by unearned increment which had grown up under it. In that way they gave value to the water, although no money was ever invested in the proposition by the stockholders or the owners of the railroad at any time.

Mr. FESS. Mr. President, does the Senator mean that unearned increment is not property?

Mr. BROOKHART. I think the capitalization of unearned increment ought to be prohibited in all public utilities.

Mr. FESS. That does not change the value of the property, though.

Mr. NORRIS. Yes; that changes the value.

Mr. FESS. The only thing the Senator is contending is that the unearned increment ought not to go to the owner of the property.

Mr. BROOKHART. That changes the value very little. That value belongs by natural right to the public.

Mr. FESS. That goes only to the ownership of the property. It does not go to the cost of operation. It has nothing to do with it.

Mr. BROOKHART. The value ought not to be added to the value of the property.

Mr. FESS. The Senator's contention is that the unearned increment ought not to go to the owners; that it ought to go to the public.

Mr. NORRIS. No; the Senator's contention is that the unearned increment should go to the owner. The owner is the public, which has made it valuable, and not the fellow who invested money in railroad stocks.

Mr. FESS. The Senator's philosophy is one of his own.

Mr. NORRIS. Why, of course, it is my own, and that is just the difference between my philosophy and the Senator's. His is not his own. I have not anything that is not my own.

Mr. President, I did not intend to discuss that matter of the unearned increment; but in the instance which the Senator from Iowa gave, the people tributary to the Burlington Railroad were compelled to pay a rate for freight and passenger transportation through the years that are past that was enough not only to give them a return always of 8 per cent, and sometimes as high as 22 per cent, but to build up a surplus. That was afterwards capitalized and stock issued for it. Now, my contention is that when a railroad company—and it is a fundamental principle of every company that has the right of eminent domain, a governmental function by which it can take my property or yours without our consent, the same as the Government—when a railroad company does that, when it has that authority as a common carrier, it is by right subject to regulation, and can not and ought not to be allowed to charge a greater rate for its service than will bring in a reasonable return; and when the charge is made so great that it gets a reasonable dividend—in the case I am speaking of much more than a reasonable dividend—and still the property piles up, what does it show? It shows that they were charging too much to the public for the service; and that money piled up there, every red cent of it, ought to belong to the people who contributed it above what was the proper rate.

The Senator from Ohio says, "Why, they own it." It is true technically that they do, and that the value is there, as far as value is concerned; but that value was made by the tolling masses of the American people paying rates for freight and passenger service that were above a reasonable rate.

Mr. FESS. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. FESS. The Senator came to Congress years ago. I recall when he came. He bought a property, I do not know just when, but the property did not cost as much then as it is worth now. Suppose he paid \$6,000 for his property, and it is worth from \$15,000 to \$20,000 to-day. The unearned increment does not belong to him; he ought to deed it to the public, because it belongs not to him but to the public.

Mr. NORRIS. Now, is the Senator through with that question?

Mr. FESS. Yes. That is an illustration of what we have been talking about.

Mr. NORRIS. I will answer the question of the Senator. He thinks it is a pertinent illustration. He thinks he has a question there on all fours with a railroad proposition.

Mr. FESS. That is unearned increment.

Mr. NORRIS. All right. Let me answer it, now, and then the Senator can come back again if he wants to.

Mr. FESS. Let us stick to unearned increment.

Mr. NORRIS. I will stick to what I please. I am going to make my own speech, without any suggestion or help from anyone else.

Mr. FESS. All right; that is proper.

Mr. NORRIS. Yes; to be sure that is proper. The Senator can do the same.

Mr. FESS. I will when I get the floor.

Mr. NORRIS. The Senator thinks he has an illustration here that just covers it. I buy a piece of property in the city of Washington. Great God! Does not the Senator know the difference between a railroad company and a private individual? Does not the Senator know that I could not get that property without the consent of the owner? Does he not know that I have not any right of eminent domain? Does he not know that under the common law and every statute that we have there is not any regulation of that kind of a proceeding, and that it is not any more like a railroad company, with its right of eminent domain, with its governmental function, that must submit to governmental regulation, than the flowers that bloom in the springtime?

Mr. FESS. Will the Senator yield on that point?

Mr. NORRIS. I yield on anything.

Mr. FESS. A corporation can not exercise the right of eminent domain except under the provisions of the law, and then it must pay what is regarded as a usual or reasonable price for the property.

Mr. NORRIS. Yes.

Mr. FESS. How does that differ from an individual?

Mr. NORRIS. Why, again I am surprised at the Senator. Again I am surprised that in this day of civilization he can assume to assert that there is not any difference between taking property under the right of eminent domain and taking property by contract and purchase. Why, there is all the difference in the world.

Mr. FESS. There is no difference between increment coming to an individual owner and increment coming to a corporation owner. Both are the same.

Mr. NORRIS. When I want to buy the Senator's property, I can say to him: "Why, your property is worth only \$5,000"; and he can say: "Yes, I admit that it is worth only \$5,000, but I will not sell it for that. You will have to give me \$10,000 if you get it." Or he can say: "I will not sell it for any amount," and there is not any power anywhere in the world that can compel him to deviate an iota from that statement. But the railroad comes along and says: "We want your property," and he says: "I will not sell it."

Mr. FESS. That is for the public.

Mr. NORRIS. Exactly; and that is the reason why the public has a right to regulate the railroads. The Senator has struck the keynote. He did not do it intentionally, but he has done it.

Mr. FESS. Oh, yes. I said that the Government has the right to regulate the railroads.

Mr. NORRIS. That is for the public, and therefore the public had a right to say what the concern that took it under right of eminent domain shall do with it, what they shall make out of it, how they shall hold it, how they shall control it, and there is not an economist in the civilized world to-day who disputes that statement. There was a time, years ago, when the Senator and I were boys, 75 or 80 years ago, when the railroads contended just what the Senator contends now—that they were just like an individual; they could make a thousand per cent, and it was nobody's business; it was their property. But, thank God, they did not get away with that contention. Gradually the world has improved and gone on until even they admit now that they are subject to regulation, that every rate they charge is subject to regulation, that all the service they render is subject to regulation; and it is all based on the old common-law doctrine that they have the right of eminent domain, and, as the Senator says, they are taking this property for the public, and therefore the public has a right to regulate its use.

Mr. FESS. Nobody contends that they do not have.

Mr. NORRIS. Now I yield to the Senator from Iowa.

Mr. BROOKHART. Mr. President, is it not true that in addition to the distinction the Senator has drawn, even under the common law before the present transportation act was passed, the public was required to guarantee to the railroads a reasonable return upon their prudent and honest investments? That was the provision of the law always, and then that was strengthened somewhat by the transportation act. Now, since the public must guarantee to these utilities this reasonable or adequate return upon their honest investments—

Mr. FESS. The Senator does not mean that the public must guarantee anything of that sort.

Mr. BROOKHART (continuing). Is it not unfair that the same public that guarantees this return should then be called upon to turn over to them the unearned increment which that public creates?

Mr. FESS. What does the Senator mean by guaranteeing the railroads a certain income?

Mr. BROOKHART. I mean that under the law every public utility was always entitled to charge, and the public was forced to pay, a rate that would yield the public utility a reasonable or adequate return upon its investment.

Mr. FESS. That is not a guaranty.

Mr. BROOKHART. That is a pretty strong kind of a guaranty. I call it a guaranty.

Mr. FESS. A guaranty is where, if it has not accrued, somebody makes it up. Who has made it up?

Mr. BROOKHART. They were entitled all the time to that return, and the commission under the law is commanded to levy rates high enough to give them that return. That is a pretty strong guaranty.

Mr. FESS. No; the commission is not required to do that. The commission is permitted to do so-and-so.

Mr. BROOKHART. Oh, no; there is not any discretion in the commission about that return under this law.

Mr. FESS. Under the transportation act?

Mr. BROOKHART. Not any whatever.

Mr. FESS. There is no guaranty. It is all permissive under the transportation act of 1920.

Mr. BROOKHART. Under the old law, under the common law, under the Constitution of the United States, there was no discretion. The commission had to give them a rate high enough to give them that reasonable or adequate return, and that is true of every public utility, and yet the Senator not only insists that the public shall guarantee that return, but, in addition, he would turn over to them the unearned increment which the public also creates.

Mr. FESS. The Senator is repeating what has been a hundred times repeated and refuted—that the transportation act of 1920 gives any guaranty of a fixed amount. There is not any such thing.

Mr. BROOKHART. That is the usual play upon words that is made by those who deny that it is a guaranty. I have described the guaranty.

Mr. FESS. The Senator knows that if the Government guaranteed it, when the railroads failed to make it somebody would have to make it up.

Mr. BROOKHART. There are two or three ways of guaranteeing things. One is to take the money out of the Treasury and pay it over. The Government did that for the first six months to the extent of \$536,000,000.

Mr. FESS. That was in the law for six months.

Mr. BROOKHART. And the operating expenses went up \$1,485,000,000 in 10 months. There is also a further guaranty, or what I call a guaranty; I do not care what the Senator calls it.

Mr. FESS. We lost \$2,000,000,000 while it was going on.

Mr. BROOKHART. That is that the commission is commanded and required under the law to levy rates high enough to give them this return upon the value fixed by the commission, one-third of which is above the market value.

Mr. FESS. Now, the Senator is not making the statement that is in the law. The commission is not required to do it. The commission is permitted to do it if it sees fit to do it; but it never has required it, and does not now. It never has.

Mr. BROOKHART. On that proposition I squarely dissent from the conclusion of the Senator.

Mr. NORRIS. Now let me interrupt the Senators for just a minute. There is no use in quibbling about what the law states. I think we are all familiar with that. Whether it amounts to a guaranty or not is a matter that men may disagree about; but what the facts are there can be no disagreement about. The facts are that the commission fix a rate that they think will bring in a reasonable return on the value of the property invested in transportation. We all agree to that.

Mr. FESS. Yes; certainly.

Mr. NORRIS. If they do that, and always hit it right, it will, as some people say, amount to a guaranty. The Senator from Ohio does not think so. The Senator from Iowa does. I think myself that it is only a play on words; but what the facts are is perfectly understood by both of them.

Mr. FESS. Let me say to the Senator that the transportation act, to which the Senator from Iowa refers and to which the Senator from Nebraska is now referring, mentions 5½ per cent income as a reasonable rate.

Mr. NORRIS. I do not think it does.

Mr. FESS. Yes; it does.

Mr. NORRIS. I do not think it does.

Mr. FESS. The commission does.

Mr. NORRIS. Get the act and see if you can find 5½ per cent in it.

Mr. FESS. No; the commission.

Mr. NORRIS. But the Senator said the act said that. Does the Senator mean that now, or does he want to take it back?

Mr. FESS. No; the Senator does not mean that.

Mr. NORRIS. That is what the Senator said.

Mr. FESS. The Senator means that the transportation act of 1920 does not guarantee any fixed amount, but does say that the commission is permitted, if it so decides, to levy a rate that will bring a reasonable income on the amount of money invested; and under that authority the commission suggested that 5½ per cent would be that reasonable rate.

Mr. NORRIS. Nobody has disputed that they said that.

Mr. FESS. Now, 5½ per cent is not a guaranty, because they have not accumulated 5½ per cent. If they had guaranteed it failed to accumulate it, somebody guaranteeing it

would have had to make it up; and that has never been done. There never has been, except for the first six months of the transportation act, a time when a guaranty operated. After that there was not any guaranty.

Mr. NORRIS. I think I stated it fairly. I am going to state it again. The act makes it the duty of the commission to fix a rate that shall bring a reasonable return upon the value of the property invested. On one side it is contended that that means that we have guaranteed to them a reasonable return on their investment. The Senator does not believe that?

Mr. FESS. No; I do not.

Mr. NORRIS. That the Senator denies. I am not quarreling with the Senator for denying that. I think there is ample ground for a man to say that in effect that is a modified form of guaranty.

Mr. FESS. I am not quarreling with the Senator for saying that it is.

Mr. NORRIS. I do not care what the Senator thinks about it or what anybody else thinks. Those are the facts, and we all agree about that.

Mr. FESS. And the facts are that there is no guaranty.

Mr. NORRIS. That depends on your viewpoint. The Senator from Iowa [Mr. BROOKHART] says, and says with a great deal of reason, that if it is the duty of a public official to fix a rate that shall bring a utility a reasonable return that, in effect, means that we have provided by law that the utility shall have a reasonable return. That may be logical or not. The Senator from Ohio is entitled to his opinion and his judgment as to that. I do not criticize him at all for his opinion; but he must not say to somebody else who does not agree with him on that point and who takes the other view of it, "Why, you must admit, now, that there is no guaranty."

Mr. FESS. It is true; if a man should say that 2 and 2 make 4 and another should say that 2 and 2 do not make 4, I should not say that the latter is wrong, because each party has a right to his opinion.

Mr. NORRIS. No; the Senator would say the man was wrong who said that 2 and 2 did not make 4. Nobody has made such a silly assertion here in regard to this matter. If the law provided that I should fix a rate; if I were the administrative official, and the law said to me, "It is your duty to fix a rate—"

Mr. FESS. The Senator is using too strong language. It does not say that.

Mr. NORRIS. I will eliminate the law, then. I will take the decision of the Supreme Court in a case that went up from Nebraska. The Legislature of Nebraska fixed maximum rates, and the Supreme Court nullified the act because, they said, it did not give the roads a reasonable rate. The Supreme Court held the act unconstitutional. I think every court in the land has made decisions along the same line, holding that roads are entitled to get a reasonable return upon their property.

Mr. FESS. My contention is that the law does not use the word "duty." It does not fix a duty, but grants a permission.

Mr. NORRIS. The Senator would better get the law and read it.

Mr. BROOKHART. There is nothing in the law that says it is a permission. There is no such language as that in the law.

Mr. NORRIS. The Senator would better get the Esch-Cummins law.

Mr. FESS. The Senator is not on a committee that has the law before it every day and needs to read it every five minutes.

Mr. NORRIS. I thought the Senator from Ohio was until I heard him state that the law said that 5½ per cent was a reasonable rate; and then, even though I was not on the committee, I thought I should put my judgment up against that of a Senator who had the law before him every day.

Mr. FESS. Let me ask the Senator this question: If it is a guaranty, what becomes of the roads that are not making it at all?

Mr. NORRIS. Let me say to the Senator that I have made no assertion one way or the other. It is a controversy which the Senator has with the Senator from Iowa [Mr. BROOKHART]. I have stated what the facts are as I understand them to be and as I understand the law. The Senator can draw his conclusion that it is not a guaranty, and somebody else may draw the conclusion that it is, and there you disagree, and that is the end of it. I have not said that it was a guaranty or that it was not.

Mr. FESS. However, the Senator does not believe it is a guaranty—

Mr. NORRIS. No; I will not say that either, and the Senator has no right to put me on the witness stand like a witness in a police court and ask me questions of that kind. I have not been discussing it. Why does the Senator continue to ask me, "Is it a guaranty?" or "Is it not a guaranty?" I do not care, as far as the matter I am now discussing is concerned, whether it is a guaranty or whether it is not. I know what the law is, and the Senator knows what it is, and I say that there is ample reason for a man to say that in effect it is a guaranty, and ample reason for a man to deny that technically it is a guaranty, as the Senator does and as every corporation lawyer in the land does. The Senator is standing on all fours with the rest of them.

Mr. FESS. The Senator says there is basis for saying it is a guaranty; and the Senator believes that, does he not?

Mr. NORRIS. Of course I believe it, and I do not care whether the Senator believes it or not.

Mr. FESS. Nor do I care what the Senator believes. What becomes of the roads that do not make the 5½ per cent?

Mr. NORRIS. They do not get it. Is not that easy? What becomes of any road that does not make it? It does not get it.

Mr. FESS. In other words, a guaranty means they do not get it.

Mr. NORRIS. A guaranty means that you are fixing a rate so they can get it. It is the duty of the Interstate Commerce Commission to grant it.

Mr. BROOKHART. On that proposition, they fixed a rate high enough to bring a reasonable return, as they thought. But the American people have not been able to pay that rate, and the roads could not collect it from the people, because they were bankrupt to that extent. That is the reason it has not been collected. But under the law the roads are entitled to that rate, and the commission has no discretion whatever about fixing it. They have tried to fix it the best they could, but the roads have been unable to collect it from the people because they were unable to pay it.

Mr. FESS. So the Senator means it is not a guaranty because the public can not pay it?

Mr. BROOKHART. It is a guaranty, and a very powerful guaranty. It is not a guaranty out of the Treasury of the United States, and I have never claimed that, except for that first six months, but it is a guaranty, by the arrangement of the law and by the arrangement of the operation of the commission, and I wish we had had such a guaranty for our farm prices out in my part of the country. I read just the other day of some great prosperity. The biggest banker in my State said, "We are coming back to normalcy, and everything is going to be normal in Iowa next year," and the next day five of the biggest banks in the State failed.

Mr. FESS. They need a guaranty.

Mr. BROOKHART. They did not have it. If the farmers had had a guaranty for the first six months when the deflation came upon them, if they had had the same guaranty the railroads had, the farmers would not have been depressed as they are to-day.

Mr. NORRIS. Mr. President, if we can get away, now, from the side issue, the railroad question—which I admit has a good deal of bearing upon the direct question at issue—I want to go back again to the testimony of Mr. Clapp. He gives some examples showing rates charged to the consumer; and, after all, it is the consumer who pays the bill. If we permit the natural resources of the country to be turned over to this trust or to any of its subsidiaries we will find that everything they buy in the way of machinery, and so forth, they will in reality buy from themselves. The public utility companies will be able to show that the rates they are demanding will bring only a reasonable return on the investment, but away back behind it all is an investment made with that ultimate object in view, an investment for which they often pay much more than the property in worth, buying in reality from themselves, one subsidiary company from another or from the parent company.

I gave an illustration of that; there are thousands of others that might be given. That forms the basis of a good defense when they come before the public service commission of the State, as they can actually demonstrate and prove that the rate they are charging is not too high. It is just the same as though they had injected a lot of water into the capitalization and were trying to get a return on the water investment.

Mr. Clapp gives some illustrations of charges that are made to the consumer in different localities. He says:

For example, Toronto and Birmingham * * * supply perfect examples of the relative rates charged under public and private ownership. Birmingham is 100 miles from Muscle Shoals on a transmission

line of the Alabama Power Co. and is served with hydroelectric power. Toronto is 100 miles from Niagara Falls on a transmission line of the Hydroelectric Power Commission—

That is the public service commission I mentioned the other day, who are operating at cost a publicly owned concern—

and is served by that public-owned body. In the case of Toronto, the transmission line and the municipal distributing plants are both owned by public bodies. In Birmingham the transmission line and the municipal distributing plants are both owned by private corporations.

Let us see what the charges are:

Citizens in Birmingham pay \$3.06 per month for 40 kilowatt hours of electric current, an average consumption.

Citizens in Toronto pay 90 cents per month for the same amount of current—40 kilowatt hours.

If the Birmingham citizens had the Toronto rate of 90 cents for 40 kilowatt hours, the Birmingham monthly bill would be \$2.16 less than it is now, every month, and that amounts to \$25.92 per year.

There are approximately 200,000 people in Birmingham. In a normal city it is safe to assume that one out of five in the population is a consumer of electric current. That would mean 40,000 consumers in Birmingham, or 40,000 who would be consumers if the rates were sufficiently low.

If each of the 40,000 present or prospective consumers in Birmingham could save \$25.92 per year by introducing the Ontario plan, their total annual savings would be \$1,036,800. The net advantage of the Ontario plan, proposed by Senator Norris, would be in the case of Birmingham alone \$1,036,800, less the amount of taxes now paid the city by the Alabama Power Co. and the local electric light company.

Mr. Clapp submits some possibilities in other cities in the vicinity of Muscle Shoals. He said:

We submit that the possibilities of benefiting the common people of the South through Senator Norris's plan are enormous. Birmingham has the cheapest rate of all Southern cities. The rate for 40 kilowatt hours per month in Atlanta, Ga., is \$3.24; in Augusta, \$3.60; in Nashville, \$4.04; in Jackson, Miss., \$6; in Meridian, Miss., \$4.56; in Knoxville, Tenn., \$3.96; in Chattanooga, Tenn., \$3.42; in Memphis, Tenn., \$3.08; all compared with 90 cents at Toronto.

Mr. Clapp gave a list of companies controlled through interlocking directorates. It is not claimed this is all, by any means, of the list, but since the Senate is denied the light that would come to us more fully and completely, and perhaps much better, as was proposed by the resolution which I am not able to get through the Senate, I think in the light of the fact that I have been prohibited from pursuing that course I ought to put in the record this list given by Mr. Clapp.

I ask unanimous consent to insert as a part of my remarks Exhibit C, commencing on page 55.

The PRESIDING OFFICER (Mr. McNARY in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EXHIBIT C

THIS LIST IS COMPANIES CONTROLLED BY INTERLOCKING

List of interlocking companies interlocked through directors listed: Columbia Gas & Electric Co. (Moody's, p. 735): Frederick Strauss. Commonwealth Power Corporation (Moody's, p. 1753): A. A. Tilley (director Power Securities Corporation). Central Arizona Light & Power Co. (Moody's, p. 671): I. W. Bonbright, C. P. Hamilton (directors Utah Securities Corporation). Scranton Electric Co. (Moody's, p. 1062): R. E. Breed, G. N. Tidd, F. B. Ball. Penn Central Light & Power Co. (Moody's, p. 1181): G. H. Frazier (director Electric Securities Corporation, Delaware). Eastern Shore Gas & Electric Co. (Moody's, p. 1784): G. H. Frazier. Alabama Traction, Light & Power Co. (Ltd.) (Moody's, p. 1639): S. Z. Mitchell, C. E. Groesbeck. In October sold out Alabama Power Co. to Southeastern Power & Light. Mitchell and Groesbeck directors in Southeastern Power & Light, and Mitchell at least in Alabama Power Co. East Penn Electric Co. (Moody's, p. 760): H. B. Dean. The United Gas & Electric Corporation (Moody's, p. 1355): S. R. Bertrom, S. Z. Mitchell. North American Co. (Moody's, p. 291): F. L. Dame, R. E. Breed, A. W. Burchard. Rockford (Ill.) Electric Co. (Moody's, p. 1061): R. E. Breed, G. N. Tidd, F. B. Ball. The Ohio State Power Co. (Moody's, p. 1063): R. E. Breed, G. N. Tidd. The Central Gas & Electric Co. (Moody's, p. 1188): I. W. Bonbright. American Light & Traction Co. (Moody's, p. 1065): Seward Prosser. Washington Water Power Co. (Moody's, p. 1014): E. G. Merrill.

Cleveland Electric Illuminating Co. (Moody's, p. 298): F. L. Dame, Harrison Williams.

East Penn Electric Co. (Moody's, p. 760): H. H. Dean.

The Helena Light & Railway Co. (Moody's, p. 154): S. Z. Mitchell.

Kentucky & West Virginia Power Co. (Inc.) (Moody's, p. 1055):

R. E. Breed, N. M. Argabrite, G. N. Tidd, F. B. Ball.

The Tennessee Electric Power Co. (Moody's, p. 1349): L. W. Bonbright.

The Detroit Edison Co. (Moody's, p. 312): E. W. Rice.

Portland Railway Light & Power Co. (Moody's, p. 376): Frederick Strauss.

Western Power Corporation (Moody's, p. 1019): L. W. Bonbright, A. W. Burchard, A. C. Bedford.

Appalachian Power Co. (Moody's, p. 1096): C. N. Mason, L. W. Bonbright, C. P. Hamilton, S. Z. Mitchell, C. A. Coffin.

Buffalo General Electric Co. (Moody's, p. 46): O. D. Young.

Adirondack Power & Light Corporation (Moody's, p. 2): C. P. Hamilton, O. D. Young, J. R. Lovejoy, A. W. Burchard.

New England Co. Power System (Moody's, p. 264): Philip Stockton.

Republic Railway & Light Co. (Moody's, p. 1920): A. W. Burchard.

The Edison Electric Illuminating Co. of Boston (Moody's, p. 115): Oliver Ames.

Mr. NORRIS. Mr. Clapp gave another list, which I think is interesting, of companies not controlled by stock ownership and not connected through interlocking directorates, as I understand it, at least. That is a list of eight companies that are financing all kinds of electric operations, and the contention made by him is—and I think the fact is perfectly apparent—that while they may not be directly controlled by this parent company, they are connected with it through financial arrangements and means of obtaining financial assistance for the purpose of loaning money to these various subsidiaries. There is a list of that kind given, showing eight different corporations operating on Wall Street in New York.

There is another list I want to have inserted in the RECORD on this occasion which has a direct bearing upon the question at issue, a list giving the number of applications now pending

before the Federal Power Commission to develop power on streams in the United States made by various corporations under the Federal water power act. It is remarkable that this list, giving applications now pending by corporations connected either by stock ownership or interlocking directorates, shows the astounding fact that there are now pending before the Federal Water Power Commission applications to develop power on the public streams of the United States by companies connected with the General Electric Co. or some of its subsidiaries, which applications mean, if granted and developed, a total capacity of 4,255,040 horsepower—over 4,000,000 possible horsepower now out of the grasp of anybody but which the Power Trust is reaching out its hand to get under the Federal water power act.

I have here a list given by Mr. Clapp of the various corporations, showing how they are connected up with the General Electric Co. or some of its subsidiaries. It shows there are applications pending in Kentucky, Oregon, Alabama, California, Wyoming, Arizona, even in Alaska, in Utah, Washington, Colorado, Missouri, Nevada, Minnesota, Maryland, Pennsylvania, Tennessee, and Virginia. A few of them are not asking for the development of water power, but are seeking the building of transmission lines through some of the States. But as I said—and I presume this is shown by their own applications—the primary power which they seek is 2,258,540 horsepower, and the full capacity of the power dams which they expect to develop under the applications for lease amounts to 4,255,040 horsepower. That of itself ought to open our eyes before we pass any legislation that will give either to the General Electric Co. or any of its subsidiaries the right to own and control, either by lease or sale, the great power at Muscle Shoals.

I ask unanimous consent to include as a part of my remarks the list to which I have referred, beginning at page 57 of the Senate Judiciary Committee hearings.

The PRESIDING OFFICER (Mr. McCormick in the chair). Without objection, it is so ordered.

The list is as follows:

List of applications filed with the Federal Power Commission by companies having officers or directors in common with the General Electric Co., the Electric Bond & Share Co., the American Gas & Electric Co., or their subsidiaries

Project No.	Name of applicant	State	Stream	Primary	Capacity	Director or officer	In common with—
5	Rocky Mountain Power Co.	Montana	Flathead River	176,650	270,000	Frederick Strauss	Electric Bond & Share Co. and others.
18	Idaho Power Co.	Idaho	Snake River	8,420	10,000	C. E. Groesbeck	Do.
19	do	do	do	32,000	80,000	do	Do.
20	Utah Power & Light Co. (Soda and Milk units)	do	Bear River	10,000	37,000	C. E. Groesbeck	Do.
38	Portland Railway, Light & Power Co.	Oregon	Willamette River	9,820	38,000	S. Z. Mitchell	Do.
				7,200	7,200	Frederick Strauss	Do.
41	Alabama Power Co.	Alabama	Coosa River	12,000	30,000	S. Z. Mitchell	Do.
82	do	do	do	21,760	110,000	C. E. Groesbeck	Do.
135	Portland Railway, Light & Power Co.	Oregon	Clackamas River	25,300	26,800	S. Z. Mitchell	Do.
144	Idaho Power Co.	Idaho	Transmission line			C. E. Groesbeck	Do.
						A. C. Bedford	Do.
						A. W. Burchard	General Electric Co., Electric Bond & Share Co., and others.
146	Great Western Power Co.	California	North Fork Feather River	42,900	62,000	H. Fleishhacker	Do.
						M. Fleishhacker	Do.
						L. W. Bonbright	Utah Power Securities Corporation and others.
150	Central Arizona Power Co.	Arizona	Transmission line			C. P. Hamilton	Southwestern Power & Light Co. and others.
157	Alaska Development & Mining Co.	Alaska	Anan and Tyer Creeks and White River	18,000	28,000	Seward Prosser	General Electric Co.
158	Utah Power & Light Co.	Utah	Green River	80,000	100,000	C. E. Groesbeck	Electric Bond & Share Co. and others.
165	do	do	do	83,000	125,000	S. Z. Mitchell	Do.
229	Washington Water Power Co.	Washington	Columbia River	120,000	153,400	C. E. Groesbeck	Do.
264	Washington Electric Co.	do	North Fork Lewis River	19,400	28,000	S. Z. Mitchell	Do.
274	Pacific Power & Light Co.	Oregon	Deschutes River	27,200	54,000	H. Fleishhacker	Great Western Power Co.
279	Utah Power & Light Co.	Colorado	Green and Yampa Rivers	504,500	800,000	S. Z. Mitchell	Electric Bond & Share Co. and others.
282	Idaho Power Co.	Idaho	4 transmission lines			A. S. Grenier	American Power & Light Co. and others.
						C. F. Groesbeck	Electric Bond & Share Co. and others.
						S. Z. Mitchell	Do.
						C. E. Groesbeck	Do.
						A. C. Bradford	Do.
						A. W. Burchard	General Electric and Electric Bond & Share Co. and others.
291	Great Western Power Co.	California	North Fork Feather River	60,000	100,000	H. Fleishhacker	Great Western Power Co.
						M. Fleishhacker	Do.
293	Pacific Power & Light Co.	Oregon	Grande Ronde River	288,000	600,000	S. Z. Mitchell	Electric Bond & Share Co. and others.
324	Empire District Electric Co.	Missouri	White and James Rivers	31,000	80,000	A. S. Grenier	American Power & Light Co. and others.
349	Alabama Interstate Power Co. (Cherokee Bluffs unit)	Alabama	Tallapoosa River	51,400	220,000	B. G. Tremaine	American G. & E. Co. and General Electric Co.
				16,920	105,000	S. Z. Mitchell	Electric Bond & Share Co. and others.
352	Idaho Power Co.	Idaho	Transmission line			C. E. Groesbeck	Do.
364	do	Idaho and Oregon	do			C. E. Groesbeck	Do.
370	Nevada Power Co.	Nevada	do			do	Do.

List of applications filed with the Federal Power Commission by companies having officers or directors in common with the General Electric Co., the Electric Bond & Share Co., the American Gas & Electric Co., or their subsidiaries—Continued

Project No.	Name of applicant	State	Stream	Primary	Capacity	Director or officer	In common with—
387	Minnesota Utilities.....	Minnesota.....	Transmission line.....			S. Z. Mitchell.....	Electric Bond & Share Co. and others.
400	Western Colorado Power Co.	Colorado.....	Animas, San Miguel..	7,900	15,770	C. E. Groesbeck.....	
403	Alabama Power Co.....	Alabama.....	Warrior River.....	1,000	5,000	S. Z. Mitchell.....	Do.
405	Susquehanna Power Co.....	Maryland and Pennsylvania	Susquehanna River...	53,500	360,000	C. E. Groesbeck.....	
406	Idaho Power Co.....	Idaho.....	Transmission line.....			S. R. Bertron.....	Do.
410	Knoxville Power & Light Co.	Tennessee and Virginia	Clinch River.....	188,000	200,000	C. E. Groesbeck.....	
427	Tennessee Electric Power Co.	do.....	Clinch and Powell Rivers.	126,000	178,000	H. C. Abell.....	(Controlled by National Power & Light Co.)
429	Minnesota Power & Light Co.	Minnesota.....	Transmission line.....			I. W. Bonbright.....	Utah Power Securities Corporation and others.
430	Knoxville Power & Light Co.	Virginia and Tennessee.	Clinch and Tennessee Rivers.	190,000	291,500	C. E. Groesbeck.....	Electric Bond & Share Co. and others.
431	Idaho Power Co.....	Idaho.....	Transmission line.....			S. Z. Mitchell.....	
439	do.....	do.....	do.....			H. C. Abell.....	Southwestern Power & Light Co.
444	Great Western Power Co.....	California.....	do.....			F. B. Odum.....	National Power & Light Co.
457	Idaho Power Co.....	Idaho.....	Snake River.....	8,700	8,700	C. E. Groesbeck.....	Electric Bond & Share Co. and others.
466	do.....	do.....	Fayette River.....	2,000	2,000	E. R. Tinker.....	Power Securities Corporation.
469	Minnesota Power & Light Co.	Minnesota.....	Kawishiwi River.....	1,140	5,000	C. E. Groesbeck.....	Electric Bond & Share Co. and others.
472	Utah Power & Light Co.....	Idaho.....	Bear River.....	13,270	40,000	E. R. Tinker.....	Power Securities Corporation.
479	Montana Power Co.....	Montana.....	Transmission line.....			A. C. Bedford.....	Electric Bond and Share Co. and others.
486	Utah Power & Light Co.....	Utah.....	Logan River.....	2,670	2,670	A. W. Burchard.....	General Electric, Electric Bond & Share Co., and others.
487	Pennsylvania Power & Light Co.	Pennsylvania.	Wallenpaupack Creek.	12,000	54,000	C. E. Groesbeck.....	Electric Bond & Share Co. and others.
495	Pike Rapids Power Co.....	Minnesota.....	Mississippi River.....	6,000	24,000	E. R. Tinker.....	Power Securities Corporation.
503	Idaho Power Co.....	Idaho.....	Snake River.....	10,700	12,000	C. E. Groesbeck.....	Electric Bond & Share Co. and others.
505	Washington Water Power Co.	do.....	Transmission line.....			S. Z. Mitchell.....	Do.
510	do.....	do.....	do.....			E. G. Merrill.....	Do.
Total.....				2,253,550 (21,399,680)	4,255,040 34,753,393		

Mr. NORRIS. Mr. President, I have briefly shown what I believe to be the existence of a gigantic monopoly in the electric world, in the water-power world. I think it has a direct bearing upon what we should do with Muscle Shoals. Briefly, it demonstrates, it seems to me, a sufficient reason why the resolution I have introduced should be adopted. I know of no instance in the history of the Senate where as much of a showing has been made and a denial of an investigation has followed. I have asked that the Federal Trade Commission investigate. If it can be demonstrated that I am wrong, if my sources of information are erroneous or untrue, I want it shown. If, on the other hand, I can be vindicated by that kind of an investigation I have the right to demand that kind of a vindication.

It will do Senators no good, it seems to me, always to interject into my remarks questions that show on their face that they do not want to have an investigation made, assuming often by the questions, as did the questions of the Senator from Ohio [Mr. FESS], that in some instances this great big trust is losing money and operating the railroad at a loss. I would like to know. I do not believe they are. Perhaps they are, but I would like to know. I want the truth. Does the Senate want the truth? Is it possible that those Senators who are asking questions along that line are afraid of the truth? Are we afraid that it will endanger the value of some man's stock or bonds? I hope it will not. That is not my object. I do not believe it will do that. If they are legitimate, if they are honest, based on the right kind of a legal basis, it ought to do them good to have all the truth known. Have I shown that there does exist a great monopoly along the lines I have outlined? Does the evidence of applications now pending before the Federal Power Commission, wherein they ask more than 4,000,000 more of horsepower to go into this gigantic

octopus or some of its subsidiaries, indicate that the people are being robbed of their just inheritance? Can it be possible that Senators will refuse to have the truth come to light? Can it be possible that they will put in the way of a proper investigation, no matter what excuse may be made, various things that will prevent the light from coming out?

The Senator from Alabama [Mr. UNDERWOOD] the other day referred to me as a dreamer. Is this a dream I have brought out here to-day? Is it possible that the General Electric Co. have been dreaming for the last 10 years and that now their dream is just being realized? Can they glide out of it by saying, "Oh, you who propose an investigation or are opposed to giving them more power are just dreamers?"

Mr. UNDERWOOD. Mr. President, if the Senator will allow me—

Mr. NORRIS. Certainly.

Mr. UNDERWOOD. I have listened with interest to his speech, but I do not want him to misinterpret my position. I have no objection whatever to the resolution of the Senator for any kind of investigation as to monopoly of water power and never have had. I think the Senator is rather dreaming when he proposes to pass a resolution of that kind by unanimous consent and when he asks unanimous consent which invites objection, when he has a bill pending here, a bill reported from his own committee, for the development of a huge water power on the Tennessee River, and when that bill is subject to amendment. The Senator does not have to ask unanimous consent for the consideration of his investigation resolution, but he can offer his resolution as an amendment to his own bill. So far as I am concerned, I will vote with the Senator to put it on his bill. It would be pertinent to the Senator's bill.

I have said all the time that the Senator's bill is a water power bill, a bill to develop great units of water power, and I

agree with him that if that is his intention and desire it is a very pertinent investigation as to how the water powers that have been developed or will be developed in the future should be controlled. Of course, so far as I am concerned, I have offered a substitute in lieu of the Senator's bill which, instead of developing the 4,000,000 horsepower that he has said this corporation is trying to develop, seeks to dispose of something less than 200,000 horsepower for a purpose that has already been indicated by law. In 1916 the Congress of the United States in the national defense act—

Mr. NORRIS. If the Senator wishes to ask me a question, I am perfectly willing to yield to him for that purpose, but I have been interrupted several times by Senators who have made speeches.

Mr. UNDERWOOD. I am sure the Senator from Nebraska will not charge me with unduly interrupting him, for I have always listened to him with patience.

In the national defense act of 1916 it was provided that this dam should be set apart for national defense and for the production of fertilizer, and those purposes have nothing whatever to do with the water-power monopoly. I hope the project can be devoted to that end, and I am trying my best to provide that the small unit of power which is located at Dam No. 2 shall be devoted to that end in accordance with what is the law of the land to-day.

I agree with the Senator from Nebraska, however, thoroughly that if we are going into a great development of water power for sale as electrical units and not in order to manufacture fertilizer or nitrates for the national defense, it would be well worth while to look into the question of who has control of the present electrical system, and as to whether or not it is being abused, and as to whether or not if, under the Senator's bill, this great water power shall be developed, it is likely to fall under the same control. I only suggest that the Senator from Nebraska heard no objection from me as to his request, and he would promptly have heard from me if I had objected to it.

I listened to the Senator's speech on the subject, but I think he could very easily incorporate the substance of his resolution into his bill if he desired to move it as an amendment to the bill.

Mr. NORRIS. I thank the Senator very sincerely for his suggestion, but let us see what it would amount to. The Senator states that he does not object to the adoption of the resolution and the making of the investigation, but that he is surprised that I should try to have the resolution adopted by unanimous consent. I secured the adoption by the Senate by unanimous consent of a similar resolution to investigate the Fertilizer Trust when the Senator and his colleagues were crying aloud for fertilizer and claiming that there was a trust. It seems now from the debate which took place a few days ago that the Senators who are continually and almost daily charging the existence of such a trust have not even read the report of the Federal Trade Commission on the subject, which is quite exhaustive. However, I thank the Senator from Alabama for his suggestion as to how I could obtain this investigation. If the resolution had passed, the Federal Trade Commission would be at work on the investigation to-morrow.

The Senator from Alabama has asked why not offer the resolution as an amendment to my bill. If I offer it as an amendment to my bill, assuming that the bill passes, it will be several days at least before the bill passes the Senate. It then will go to the House of Representatives and it is probably safe to say that it will consume some time in the other House. It will then, perhaps, go to conference, and we shall be right around the 4th of March when the conference report is finally adopted. So if the resolution should then be a part of the bill, we should have wasted all the intervening time. In the meantime, had the resolution been passed, the investigation might have been begun and completed.

Mr. UNDERWOOD. Mr. President, will the Senator allow me to interrupt him?

Mr. NORRIS. So that the remedy which has been suggested by the Senator from Alabama is no remedy whatever.

Mr. UNDERWOOD. If the Senator from Nebraska will allow me, I desire to state that I suggested to him that I had no objection to the unanimous-consent agreement for which he asked—

Mr. NORRIS. Oh, no; I realize that.

Mr. UNDERWOOD. But the Senator could not obtain unanimous consent. It has been refused him.

Mr. NORRIS. That is true.

Mr. UNDERWOOD. But the Senator can use the other method, which is subject to his control.

Mr. NORRIS. Yes; but long before the pending bill may pass and become a law, I expect the Senate to vote on the resolution, and perhaps the investigation may be finished before the bill is enacted into law. The resolution which I have in-

troduced is a Senate resolution; it does not have to go to the House of Representatives; it does not have to go to conference; it does not require the signature of the President; but, if passed, it goes immediately from the Senate Chamber, and the Federal Trade Commission would commence its investigation to-morrow if the resolution were passed by the Senate to-day.

Now, as I have previously stated, the Senator from Alabama evidently thinks this is all a dream, for he has said so, and other Senators have so intimated. I have called attention to the fact that perhaps the dream that has been going on and that is now being realized is a dream of the Water Power Trust, and we have been moving around here without knowing what the facts were, like pigmies, like pawns on a checker-board, unconsciously playing into the hands of that gigantic trust. Right now they are asking for more than 4,000,000 horsepower under a bill which we have passed, and passed with the best of intentions. If they get it—and I do not know why they should not—with the power that they already have we might just as well fold our tents "and silently steal away," so far as controlling the water power is concerned. That power will be gone.

Is it a dream, Mr. President? Oh, we shall wake up some morning to find that the dream is a staunch and steadfast reality. It will come before our descendants and block their pathway of progress. This dream, if it be a dream, will come home to plague those who shall live centuries after us, if we do not heed the warning and keep from the control of this gigantic octopus the development and the profit that will come from the development of the natural resources of our country, which belong to us all and which God intended that we should keep for the great common people of the country.

Yes, Mr. President, it may be that I am a dreamer. It seems to me that in the dream I can see little children now unborn raising their tiny hands in condemnation of the men in power to-day because they gave away to corporations and trusts inheritances that God intended should be theirs. It seems to me that I can look farther in that dream and I can see grown women and strong men with bended backs toiling in the fields to pay tribute to that giant monopoly into whose itching palms we are asked to-day to place this valuable governmental asset. It seems to me I can look still farther into that dream, and see in the mists a more distant time when oppressed manhood and oppressed womanhood will rise in their might, throw off the yoke that has been held upon them and kept them in practical bondage, reassert their rights as free men and free women, when the temples that this gigantic octopus shall have reared shall be torn down and scattered into the streets; when the descendants of the beneficiaries of our gifts of the natural resources of our common country will be fleeing from excited multitudes of an outraged people, lifting their faces toward the dome of heaven and crying aloud for God to save them from the fury of the mob. Yes, if we heed not the warning voice of to-day, either the natural resources of our country will be preserved for the people God intended should have them, or they will be given away to this gigantic trust or some subsidiary of it.

Mr. EDGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New Jersey?

Mr. NORRIS. Unless the Senator wishes to ask me a question, I will yield the floor.

Mr. KING. Mr. President, may I ask the Senator from Nebraska a question?

Mr. NORRIS. Yes.

Mr. KING. I have not been present during the entire speech of the Senator, and I ask him, purely for information, why he does not ask the Federal Power Commission to make this investigation? I am assuming that that commission since its creation has devoted some attention to our water power and our streams and the control of the water power throughout the United States, and has a good deal of the data which are sought. I may be in error in the assumption, but it would seem to me that its duties, if not in the past in the future, would call upon it to make observations and collect data in respect to the use of power. Why not refer the resolution to that commission instead of to the commission to which the Senator seeks to have it referred?

Mr. NORRIS. Mr. President, the Senator may be right. I think, however, that if he will think about it he will agree with me that the Federal Power Commission as such is not an investigating body; that it is not equipped with the men and women and the documents in regard to corporations and their various activities as the Federal Trade Commission is equipped. That commission has a force of investigators trained in the very line in which it would be working if my resolution were adopted. On the other hand, the Federal Power Commission

has no such machinery, as I understand, at least. Of course, that would be one of the things that it would be proper to consider in connection with the resolution. If the Senate thought the investigation ought to be made by some other body than the Federal Trade Commission, then it would be a very proper amendment so to provide.

Personally it would seem to me to be a mistake to ask the Federal Power Commission to make this kind of investigation. I think that the Federal Trade Commission could make it within a very short time, because they have access to and have on their files, I presume, most of the records which would be necessary to be examined in order to furnish all the information for which the resolution calls. So I will say to the Senator from Utah that in my judgment the Federal Trade Commission is much better equipped for the proposed investigation, and, believing that to be the case, I have framed the resolution in the way I have.

Mr. KING. Mr. President, if the Senator will indulge me in a further observation, let me say that in the fervid peroration of the Senator he assumes that there is a gigantic power monopoly, and that if it gets control of Muscle Shoals and other power sites in the United States it will be beyond the control either of the Federal Government or of the States. Does not the Senator think that he is drawing a little upon his imagination in assuming that if it does acquire a limited title, or a title in fee, for that matter, to the power sites of the United States it will be beyond the control of the States and of the Federal Government? The Senator must know—for he is a lawyer of distinction and eminence—that if a power monopoly did have the fee in such sites the Federal Government or the States by condemnation proceedings could take the property away from them, of course by paying just compensation? The Senator must also know that the States, through their public-service commissions, can regulate the charges which public-utility corporations impose upon the people, so that if their charges are extortionate or unjust they are subject to regulation. I am not so sure, for I am speaking now without due consideration, but I think the Federal Government could control interstate corporations of that character the same as it regulates the railroads, and could establish a commission to fix fees and charges; so that if they should seek to rob and plunder the people by extortionate charges their charges should be regulated as are the charges of the railroads.

I do not care to get into an argument, but does not the Senator think that his speech will be subject to an erroneous construction and that many who will read it—and doubtless many will read it, because whatever the Senator says is the subject of public concern—will deduce the conclusion from his statement that these corporations are beyond the control of the States and beyond the control of the Federal Government?

Mr. NORRIS. Mr. President, I do not care to take up fully—I think it would be hardly fair for me to do so—an answer to the Senator's suggestions, although I do not want to belittle them. I realize that there is a great deal in his suggestions. I frankly admit that in theory the things he has outlined could all be done. As a matter of practice, they never would be done. In a former discussion, and somewhat to-day when the Senator was not here, I took them up at considerable length, and discussed why it seemed to me that the method of regulating rates by State service commissions, while done with the best of intentions and while accomplishing some good, as I believe, and they will still be able to accomplish much good, did not result in reducing the price to the consumer as I thought it ought to be reduced; and I know the Senator from Utah will not expect me now to go over that again.

Mr. KING. No.

Mr. NORRIS. I have gone over it at considerable length. I only want to say briefly, that while I do not want to disparage regulation of these rates, as I have said before—I think there is good in it and I would not repeal the law—they have not been successful.

The Senator referred to the way in which the railroads were regulated. In my opinion, regulation of railroads has likewise been a failure, not because of any dishonesty or corruption on the part of the Federal organizations or State organizations that are regulating them, but it seemed to me, as I said on a former occasion, that the Government now having title to this vast property at Muscle Shoals ought to use it as a key situation to put it in reality in competition; and we have had numerous illustrations here showing that that kind of competition would not only reduce rates by the governmental authorities going into the competition, but all competitors would likewise cut down their rates to practically the same level.

Mr. EDGE. Mr. President, it is not my intention at this time to consume very much of the time of the Senate; but

inasmuch as I interposed the objection to the immediate consideration of the resolution, I do want to say just a word in defense of that position.

I differ fundamentally—and I am not going to discuss that matter at length at this time—with the views very clearly expressed by the Senator from Nebraska.

In answer to the last query from the Senator from Utah [Mr. KING] as to whether regulation would not to a great extent control the abuses when abuses exist, the Senator from Nebraska replied that while regulation might help, in his judgment it never could effectually solve the problem, or words to that effect.

Of course, that means only one thing, and that is where we differ fundamentally. If regulation admittedly will not solve the problem, although I contend it will, then, of course, Government ownership and administration is the only ultimate result.

I differ from the Senator, as to the necessity of this resolution, from another angle. He has put in the RECORD reams of testimony which in effect demonstrated the activities of some of our large corporations, principally, as I recall, the General Electric Co., and has stated through its subsidiaries it was tapping the industrial life and development of many, many sections of the country. We all admit that. Personally, I do not see where that is a detriment to the country if the laws of the country are obeyed. We have the machinery for enforcing the law. We have the Department of Justice, with its representatives in every State of the Union. We have, as has been referred to, local and State regulation in practically every State of the Union.

I never have accepted the theory that business because it was big was necessarily dishonest. Business, whether large or small, should be, in fairness to all classes of our citizenship, reviewed absolutely upon its own work, its own character, its own type of development, its failure or refusal, if it does fail or refuse, to obey the laws of the land and the laws of the various States in which it operates.

It appears the burden of the Senator's argument—and I want to be entirely fair to him; he can reply to me later if I have misinterpreted his viewpoint—has been that because these corporations have developed an electric company in this town, or a trolley company in this other town, they necessarily are a menace to the development of the country; and the Senator finishes his remarks by painting a picture of his dream of how future generations will complain of our failure to protect them.

Mr. President, when we contemplate our present situation in this country and recognize that to-day it is the happiest Nation on earth, the most prosperous Nation on earth, in which prosperity all participate, and remember the way in which it has developed from a virgin country, only 150 years old so far as pioneer development is concerned—when we contemplate the wonderful progress of the country through this "iniquitous" system, Mr. President, in my judgment it has not all been a failure; it has not all been a lack of protection to posterity.

So far as I am concerned, I want to apprehend big-business or little business if it defies or violates the law. I want to encourage big business or little business if it helps develop under the law the assets and possible resources of this country. I believe the passage of a resolution like the one pending is absolutely unnecessary on its face. As has been brought out in the debate, the Federal Trade Commission has absolute power after complaint, without a resolution, to investigate anything contained or inferred in this resolution. It is not necessary to pass it. When we do pass it we practically insist, through the mandate of the Senate of the United States, that the Federal Trade Commission shall immediately review the entire investment world, the securities of every bank and trust company in the country, because they are all more or less necessarily and properly associated with electrical or utility developments. In my judgment we will better serve posterity, we will better serve future generations, if we encourage a proper investment of capital, if we surround that with all the common-sense regulation necessary to protect the public and not drift to future Government ownership and Government management, which is indefensible.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FRAZIER in the chair). Does the Senator from New Jersey yield to the Senator from Ohio?

Mr. EDGE. Gladly.

Mr. FESS. I saw a statement recently that the application of electricity in its applied uses coming from the inventions of Mr. Edison alone will amount in accumulations of wealth, not to one man, but to the whole country, to over \$16,000,000,000. Suppose that capital had not had the privilege of organization to develop these various divisions of the application of electricity; how far would we have gone?

Mr. EDGE. Exactly. It has been that very enterprise, that indomitable will, and perseverance and energy on the part of the American inventor, investor, and American business man that has placed our country to-day in a position where every other country in the world admits our wonderful leadership, our prosperity, which has been earned, our happiness, and the contentment of all classes of our citizenship.

I join with the Senator from Alabama [Mr. UNDERWOOD] in appreciation of the sincerity of my colleague, the Senator from Nebraska; but what he outlines is a dream, and an expensive dream that would spell absolute destruction to American initiative, and, following it, to American progress and development.

I appreciate this resolution, of course, does not necessarily change our present viewpoint or policy, as it were, or the relation of Government to capital or business; but, in my judgment, it unnecessarily creates a nervousness in the investment world without accomplishing any purpose justified by present conditions.

Admitting these companies have large and varied interests, if they are violating the law we have every machinery of organization to apprehend it. The Senate of the United States, in my judgment, has more important responsibilities than continually to assume irregularities which are the responsibility of the Department of Justice and of the district attorneys. Let us assist them in every proper manner, and, if a menace is absolutely demonstrated, let us legislate to correct it; let us investigate sufficiently to have the facts; but let us not assume that the whole investment world is unlawfully controlled, and, as a result, that the public's interests are being threatened and destroyed.

I do not believe the resolution will serve any useful purpose if the actual intention of the resolution is carried out. I believe we have spent some half million dollars already during this Congress—I think the figures are just a trifle short of a half million dollars—for Senate investigations. I do not want to stop any investigation where facts have been adduced or a situation developed by which we can get information that will be of real benefit in legislating for the best interests of all the people; but I do not believe the Senate of the United States ought to act simply on assumption based on nothing more, as far as I can follow it, than the fact that a business is big. If I followed the argument correctly, no accusation that the law has been violated has been made.

So, Mr. President, I have objected to the resolution for the reasons I have briefly defined and outlined. I can not feel that the investment world should be disturbed in this manner because of the assumption that business is big. If there are any definite charges to be made or complaints to be made, we have the necessary machinery to-day. I think the Senate of the United States can do a greater service to the people of this country in legislating to prevent wrong practices, if they exist, than to assume that business is unlawful because it may be country wide in its activity.

POSTAL PAY BRIBERY CHARGES

During the delivery of Mr. NORRIS's speech,

Mr. ASHURST. Mr. President, will the Senator yield to me that I may make a short statement? I am obliged to leave the Chamber.

The PRESIDING OFFICER (Mr. McCORMICK in the chair). Does the Senator from Nebraska yield to the Senator from Arizona?

Mr. NORRIS. I yield.

Mr. ASHURST. The men mentioned in the postal pay bribery charges are in reality supervisory postal officials who have no connection with employees' organizations, is the statement issued to-day by Edward J. Gainor, president of the National Association of Letter Carriers; Thomas F. Flaherty, secretary-treasurer of the National Federation of Post Office Clerks; William M. Collins, president of the Railway Mail Association; and Victor H. Stonesifer, representing the National League of District Postmasters.

The statement reads:

The organization involved, the National Association of Supervisory Employees, is composed exclusively of the supervisory officials in first and second class post offices. The subordinate clerks, carriers, and other post-office workers are not eligible for membership in this organization. These subordinate groups have separate organizations of their own, none of which are involved in these charges.

In private industry these supervisory officials would be classed as employees or with the managerial or boss group. They have authority to recommend promotion or demotion of subordinates.

Four of the men involved in these charges, officers of the National Supervisory Association, were assigned by the Post Office Department

last March to act in an advisory capacity to the congressional joint committee, then at work on the postal pay bill.

In no sense did this committee represent the postal workers. We never sought its appointment. We protested against its proceedings and we frequently had to combat its adverse recommendations. Some of these recommendations, over our protests, were accepted by the congressional subcommittee and are now in the pending bill.

The bona fide employees' organizations will continue to conduct an orderly, honorable campaign for a meritorious measure. Despite the many obstacles in our path we are confident of victory. Seventy-three Senators voted for the wage bill last May. There is no real reason for a change in a single vote.

The justice of the cause of the postal worker is universally conceded by the American people. Postal wages have not kept pace with living costs and are lower to-day, measured in purchasing value, than a decade ago. The restoration of this wage to a pre-war level is the only issue, and we regret that extraneous matters have been brought in to becloud it.

It is time that some one should point out that if any bribes were offered or taken they were taken by representatives of organizations inimical to the interests of the postal employees. This rumor, smoke screen, or camouflage about some representative of the postal employees having taken a bribe ought to be exposed as untrue. No one representing the postal employees has been under accusation. Indeed, the men under accusation are those who have been acting in opposition to the postal employees.

Mr. STERLING. Mr. President—

Mr. NORRIS. I hope Senators are not going to take me off the floor by going into a debate of another proposition. I want to be courteous.

Mr. ASHURST. I thank the Senator for yielding to me.

Mr. NORRIS. I think Senators ought to realize that it is hardly the right thing to ask me to yield when I am trying to make an address here about something that is pending in the Senate and allow them to make their speeches and have my comments interrupted. I would rather they did not ask me to do that.

Mr. STERLING. I would like to make one observation and that only, that I know of no charge that any postal supervisory official has taken a bribe.

Mr. NORRIS. I am glad to be interrupted for questions in reference to the subject I am discussing, but I would rather Senators would not try to make speeches while I am endeavoring to get through with my brief remarks.

After the conclusion of Mr. Edge's speech,

AGRICULTURAL DEPARTMENT APPROPRIATIONS

Mr. LADD. Mr. President, I desire at this time to make some extended remarks on the work of the Department of Agriculture in certain lines of investigation, especially in connection with the wheat rust.

Mr. President, the bill for agricultural appropriations as reported carried a total of \$124,637,715 for the Department of Agriculture. This included \$44,637,715 for the purpose of agriculture, the balance being for roads and activities which can not be considered as strictly agriculture. But of the amount proposed for agriculture not more than 50 per cent can properly be classed strictly for agriculture. Certainly the Weather Bureau is not less important to commerce and the people in general than it is for the benefit of the farmers.

The appropriation for meat inspection is for the protection of health and welfare of the general consuming public and not for the promotion of agriculture. The same is true for pure food law enforcement and many other activities which might be enumerated. I commend all of these, but feel that the true facts should be known as to how the money is to be expended. No subject is more worthy of the most thoughtful and painstaking consideration at the hands of Congress, and there should be enacted such remedial and helpful legislation as may prove beneficial in restoring agriculture to a more fortunate position than it now occupies.

One means to give aid is to find ways to combat the diseases which prey upon the farmer's crops and his animals and for which great tolls are now taken annually.

At this time I shall address myself to one of these phases, which I trust may not be overlooked even in this period of strict economy, of which I thoroughly approve.

THE BARBERRY AND THE BLACK STEM WHEAT RUST

Mr. President, I propose to speak to-day on some aspects of the black stem rust, which has been so destructive to our wheat crop in recent years, and the relation of the common barberry bush to the spread of this dread disease, which has so reduced our grain crop, especially in the great Wheat Belt of the West. I want to urge upon Congress the importance of the complete

Grand total bushes, sprouting bushes, and seedlings found.....	11,023,422
Grand total bushes, sprouting bushes, and seedlings destroyed.....	10,401,750

Mr. LADD. Mr. President, examples of good results which have come about in farm practice because of the investigations which have taken place in the various Federal and State experiment stations. Aside from the many other pieces of investigation the control of many destructive diseases of cattle and of farm crops has been made possible by the studies conducted in the experiment stations. The experiment stations within the United States are of invaluable economic importance, because they have served as a guide for improvement in farm products, particularly in the work of farm sanitation. In this work millions of dollars have each year been saved by the control of diseases of cattle and in the control of the disease factor in farm crops.

The work on the farm has not alone been benefited by the numerous processes devised at the stations for bettering the breeds of livestock and for the introduction of crop rotations, involving combinations of farm crops and livestock, but it has made this possible through the control of very destructive epidemic diseases the very nature of which were unknown until special intensive studies were made at certain of the various experiment stations and in the laboratories of the Federal Government cooperating. Thus, for example, in the case of epidemic diseases, such as foot-and-mouth disease and Texas fever, and in the case of the very extensive work for the control of black-stem rust and cotton-root rot, and so forth, the experiment stations' investigators have not been idle. In such diseases, which in epidemic years have cost this United States hundreds of millions of dollars, we now have reason to hope that science is in the mastery. We have but to continue investigations as to methods of application of the results already obtained to reap great benefits and perhaps permanent control.

BLACK STEM RUST

Mr. President, there is, for example, that very destructive epidemic disease of cereal grains known as black-stem rust, which each year since wheat has been cropped in the United States has taken a constant toll and, in years of great epidemic conditions, has swept away millions of dollars' worth of cereal crops. The loss from black-stem rust to the wheat crop alone since the spring of 1916 has, according to the reports of the plant disease survey of the United States Department of Agriculture, amounted to more than 396,042,000 bushels.

Assuming a minimum average price of \$1 per bushel, this means a loss in this food product, before manufacturing, of approximately \$400,000,000. Yet wheat is not the only crop affected. Rye, barley, oats go under in the same destructive epidemics. If this great loss could have been reduced by even 1 per cent, the same would have approximated \$4,000,000. The experiment stations, after careful investigation, have advocated the elimination of the common barberry bush because it has been found to be the carrier and developer of one stage of the black stem rust. It is found to be the only plant known which can support the sex stage of the fungus parasite, and does produce on its leaves, first in the spring, countless millions of spores, which when blown by wind to the surrounding grasses and cereal grains eventually bring about great rust epidemics in those years in which the weather is suitable for the proper growth of the spores and of the wheat. In the one rust-epidemic year of 1916, it is estimated that the loss in the wheat States was from 180,000,000 to 200,000,000 bushels. At \$1 per bushel, this alone netted a loss to our farmers of over \$180,000,000. Besides, these figures do not take into account the loss in dockage and reduced value because of loss in grade, milling, and baking values.

LOSS OF WHEAT AND OTHER CEREALS

During the five-year period 1916-1920, inclusive, the average estimated loss of wheat was 64,686,000 bushels, with estimated loss in other cereals ranging accordingly. For the crop of 1919, the estimated loss because of black stem rust on other grains was as follows: Barley, 4,369,000 bushels; oats, 15,027,000 bushels; rye, 31,000 bushels.

Mr. President, I am indebted to Dean Bolley, of the North Dakota Agricultural College Experiment Station, for much of the data which I have been able to present and especially for the statistics regarding the loss of wheat for each year beginning with 1916 and extending to 1924 from black stem rust.

I ask permission to have the data printed in the RECORD without reading.

The PRESIDING OFFICER. Without objection it is so ordered.

The data are as follows:

Estimated losses of wheat from black stem rust in the United States for the 8-year period from 1916 to 1923, inclusive

Year	Wheat production and losses from black stem rust	
	Production	Losses ¹
	<i>Bushels</i>	<i>Bushels</i>
1916.....	636,318,000	180,000,000
1917.....	650,828,000	16,203,000
1918.....	917,100,000	804,000
1919.....	940,987,000	71,417,000
1920.....	787,128,000	54,903,000
1921.....	814,905,000	22,293,000
1922.....	856,211,000	21,004,000
1923.....	² 785,741,000	² 29,378,000
Total.....	6,189,118,000	396,042,000

¹ Data obtained in cooperation with the Plant-Disease Survey of the Bureau of Plant Industry, U. S. Department of Agriculture.

² Estimates of December, 1923.

Mr. LADD. Mr. President, the foregoing does not include the loss of other cereals due to black stem rust. There has been the loss of 396,042,000 bushels of wheat during the period of eight years, to say nothing of the further damage to the wheat that was harvested. At an average of \$1 per bushel, the country lost about \$400,000,000 because of the damage of wheat by black stem rust which would not have occurred, so far as we now know, had it not been for the barberry bush, which is essential for the production of one stage of the black stem rust and from the leaves of which bush the spores (seed) are distributed to the growing wheat in the surrounding country, which has proved so destructive to man's most valuable food crop. The barberry seems to be an essential in the life circle of the parasitic black stem wheat rust as is the mosquito essential for the development of malaria in man.

If the losses during any severe rust year were estimated accurately in dollars and cents, it would, I am sure, mean a surprisingly large amount of money. For instance, in the year 1923 the reduction in bushels for the wheat crop for rust was placed at 29,378,000 bushels. The lowest price paid for wheat that year was 90 cents per bushel. Even at that, it will be seen that the loss to the farmers of the country was over \$26,000,000 at the lowest estimate that might be made. Such losses affect the manufacturers and consumers as well as the growers.

At present, 13 States, with the assistance of the National Department of Agriculture, are engaged in an attempt to destroy the common barberry bush for the purpose of controlling the infection of black stem rust. As indicated, the workers of the experiment stations have proved that great rust damage has been brought about by these bushes. During the fiscal year 1924, which corresponds to the crop year of 1923, the total amount expended by the Federal Government and the various States concerned in this work of barberry eradication was but \$465,000, which is approximately only 1½ per cent of the total loss reported in that year for wheat alone. If one had taken into account the damage done to barley, oats, and rye, this percentage would have been even less. To improve farm-crop returns, such work must be done.

GENEROUS SUPPORT ESSENTIAL

Mr. President, I can not too strongly recommend that liberal appropriations be made to continue the work of barberry eradication, so well begun by the United States Department of Agriculture in cooperation with the 13 States of the wheat belt. I would further urge that the work of barberry eradication be extended to the Eastern States and to New England, where barberry is much more abundant, therefore a greater menace than it is in the Wheat Belt of the West.

Mr. President, I would also call attention to the fact that the States in the Northwest wheat section of our country first began the survey and study and made appropriations for the eradication of the barberry bush. North Dakota in 1917 through its State legislature made an appropriation of \$5,000 and enacted a law compelling the destruction of all barberry bushes, and the year following a general campaign was undertaken for the eradication of the barberry under the leadership of the Department of Agriculture. The last legislature of 1923 appropriated \$15,000 for further eradication and a farm-to-farm survey has been carried on in North Dakota, also in other western wheat States similar work is being carried out in cooperation with the Federal authorities.

REDUCTION OF BARBERRY BUSHES REDUCES RUST ATTACK

Mr. President, statistics for the wheat crop of 1924 are not yet available. There was not, however, more than a minimum loss from black stem rust. It is believed that this low loss is closely connected with the very great number of barberry bushes which have been removed in the last few years. Eradication of barberry bushes has not as yet been complete enough in the various States to form a guaranty that the ruinous epidemics of black stem rust have been permanently checked. The work of eradication has been thorough in large districts and has apparently brought about a great reduction in the attack of the rust. Very conservative observers among experiment station investigators, farmers, and business men do not hesitate in saying that they have observed a slowing up of the rust attack. This year in particular the removal of over 10,000,000 bushes has apparently had a marked effect, causing the attack to come on slower and to spread less rapidly. Large wheat districts have been almost without rust attack during 1924.

Had it not been for the removal of these more than 10,000,000 bushes, they would have disseminated their usual amount of infecting spores early in the year, and, without question, the wheat crop would again have suffered a great loss; for the crop developed slower and the weather conditions were suited to the development of spores on the bushes. Where these bushes occurred, the spores did spread to the crop, but these various scattered local areas of rust infection did not get into effect quick enough to bring about the usual large general epidemic.

Undoubted progress has taken place in the reduction of the rust attack on the wheat. There has been real progress made in the work of digging and destroying the barberry bushes. This was a great problem when first undertaken. In the first few years much study had to be given to methods, and it is to be doubted if the destruction of the bushes in the first, second, and third years of the barberry eradication campaign really kept pace with the increased growth of the bushes, and the coming up of new ones from the seed which had been scattered by birds.

To understand this work of barberry eradication or what must be done in the near future to finish the work, one must understand that at first these bushes were all planted in America, and that many new plantings were made during the period of the taking up of the new lands of Michigan, Wisconsin, Minnesota, the Dakotas, and other of the wheat States. Originally, the number of plantings by the settlers amounted to but a few thousand of bushes planted in hedges, etc., but from the seeds grown on these, the birds have increased the totals in certain districts of Illinois, Michigan, Wisconsin, Minnesota, Ohio, New York, and the New England States into millions.

The barberry eradication campaign has already saved large sums of money to the public. On account of the work that has already been done in the digging, it is now possible to observe that these terrible scourges of black stem rust were not dependent upon the weather alone, but upon the distribution of millions of wind-blown spores which had been developed each spring upon these barberry bushes.

THE WORK REFLECTS CREDIT TO THE EXPERIMENT STATIONS

At this point, Mr. President, it is well to keep in mind that this digging of the barberry bushes is only a piece of practical work which must be completed in order to make use of the results of the careful investigations which were first done in the experiment stations. It was made possible because of careful investigations on the development of rust fungi and on the relation of the rust to the wheat plant and other plants. For example, the North Dakota Experiment Station for a number of years devoted a great deal of study to this subject of the origin of black stem rust and to studies upon best methods of control. The workers came to the conclusion that the barberry bush, if not wholly responsible for the rust epidemics, was responsible for a great amount of damage. As a consequent effect of a local campaign in North Dakota calling for the voluntary eradication of the bush, the Legislature of North Dakota passed the first law and made a State appropriation, \$5,000, for the digging of the bushes. The work was actually started in the spring of 1917. This was followed by similar enactments in other spring-wheat States and in 1918 by the active participation of the United States Department of Agriculture.

I have gone rather fully into this subject of black stem rust, because it is such a typical representation of the good work done by the experiment stations and illustrates clearly the need of following up these investigations with practical super-

vision by the National and State Governments so that the work of investigation may be brought to fruition. In my opinion it would be nothing less than a calamity should we now fail to make sufficient provision for the final completion of this work of barberry eradication. It seems to be one of those types of investigation work which admits of a complete and final demonstration.

In addition to these lines of work which I have indicated there are many other important experimental studies on the plant side of investigation of the experiment stations that have resulted in very great improvement in farm practice.

Many other diseases attacking grains, fruits, and vegetables are now under a satisfactory control, because the investigators at the different experiment stations have worked out the life histories of the parasites which cause the damage and have found out simple means of control. For example, take the formaldehyde treatment for disinfecting seed grains and potato tubers.

This, also, first initiated at the North Dakota experiment station, has been worked upon and developed by various experiment-station investigators to meet the needs of the various farming communities throughout the country. The potato crop, for example, is rapidly becoming of extreme national importance because of its food value to our increasing population. The State of Maine in 1923 is said to have produced 31,992,000 bushels of potatoes. In the county of Aroostook they have reached the highest efficiency of production, because the growers there make use of many of the latest methods of treating the tubers, spraying the vines, growing in proper crop series, use of fertilizers, and so forth. If, by lack of the proper method, that crop had been reduced even 1 per cent, the loss would have amounted to approximately 350,000 bushels. The total production of potatoes in the United States for 1923 was placed at 412,392,000 bushels. If the better methods introduced by our experiment stations resulted in an increase of but 1 per cent, one at once sees that it amounted to over 4,000,000 bushels of merchantable potatoes.

As our soil becomes more extensively and intensively cropped new lines of plant disease control arise. As just indicated, one of the chief factors limiting production of farm crops is this factor of destruction by plant diseases. Infectious diseases accumulate in the soil and in the seed. Experiments for control and elimination of the diseases will need to be continued in order to meet the changing conditions of the work and the demands of our people.

EXPORT OIL CORPORATION

Mr. OWEN. I ask unanimous consent that the Senate now consider and dispose of the bill (S. 1599) for the relief of the Export Oil Corporation, which went over on the objection of the Senator from Montana [Mr. WALSH] on the last day when the calendar was under consideration. It is merely a little local bill, and I think there can be no objection to it from any quarter.

Mr. WILLIS. What is the object of the bill for which the Senator from Oklahoma asks consideration?

Mr. OWEN. The bill proposes to permit the Export Oil Corporation to go to the Court of Claims. When it came up on the call of the calendar the Senator from Montana, as I have already stated, made objection to the bill, but it has since been explained to him and he has withdrawn his objection. I was absent when the bill was reached on the calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill which had been reported from the Committee on Claims with an amendment, on page 2, line 10, after the word "therefor," to insert "Provided, That the judgment shall be limited to the amount of the actual cost of the gasoline on the date of its final sale, less the amount received therefor," so as to make the bill read:

Be it enacted, etc., That the Court of Claims is hereby authorized and directed to hear, consider, and render judgment in the matter of the claim of the Export Oil Corporation, a corporation organized under the laws of the State of Delaware, against the United States, growing out of an alleged contract between the said corporation and the United States through the Director of Purchase and Storage of the Quartermaster Corps of the War Department of the United States in the year of 1919, whereby the said corporation agreed to furnish and the United States to accept and pay for at a stipulated price a certain quantity of gasoline to be delivered to the United States tanker *Weidrecht* at New Orleans, La., on or before May 5, 1919, which contract it is alleged was breached by the United States to the damage of

the said corporation. For the purposes of considering this claim, the Court of Claims is directed to disregard the provisions of Revised Statute 3774 requiring such contracts to be in writing, and shall base its judgment as to the legality of the contract wholly upon the law of contracts as applied in commercial usages. If the court finds that there was such a contract and that there was a breach thereof by the United States, and that because of said breach the said corporation was damaged, then the judgment shall be in such amount as may to the court seem proper to compensate the corporation therefor: *Provided*, That the judgment shall be limited to the amount of the actual cost of the gasoline on the date of its final sale, less the amount received therefor. Notice of such suit shall be served on the Attorney General of the United States, who shall appear and defend the suit on behalf of the Government.

Mr. OWEN. I move to amend the committee amendment by inserting, after the words "final sale," the words "including shrinkage, demurrage, insurance, freight, and storage charges." The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MUSCLE SHOALS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 518) to authorize and direct the Secretary of War, for national defense in time of war and for the production of fertilizers and other useful products in time of peace, to sell to Henry Ford, or a corporation to be incorporated by him, nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; steam power plant to be located and constructed at or near Lock and Dam No. 17 on the Black Warrior River, Ala., with right of way and transmission line to nitrate plant No. 2, Muscle Shoals, Ala.; and to lease to Henry Ford, or a corporation to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1202, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the junior Senator from Nebraska [Mr. HOWELL] to the amendment of the Senator from Alabama [Mr. UNDERWOOD].

Mr. HOWELL. I ask that my amendment to the amendment may be read.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The PRINCIPAL LEGISLATIVE CLERK. On page 4, in line 13, after the word "profit," it is proposed to insert the words "including the profit from any power sold"; also, in line 14 strike out the word "thereof" and insert in lieu the words "of such fertilizers," thus causing the last paragraph of section 4 to read as follows:

In order that the farmers and other users may be supplied with fertilizers at fair prices and without excess profits, the United States, its agents, lessees, or assigns shall be limited to a maximum net profit which may be made, including the profit from any power sold, not to exceed 8 per cent of the fair annual cost of the production of such fertilizers.

Mr. HOWELL. The purpose of the amendment to the amendment is to combine the profits from water power with the profits of the fertilizer manufacture; in other words, it would make it an object to manufacture fertilizer.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nebraska to the amendment of the Senator from Alabama. [Putting the question.] The Chair is in doubt.

Mr. UNDERWOOD. Mr. President, the vote now being taken, as I understand, is on an amendment just offered by the junior Senator from Nebraska [Mr. HOWELL].

The PRESIDENT pro tempore. It is upon the amendment proposed by the Senator from Nebraska to the amendment of the Senator from Alabama.

Mr. CURTIS. The amendment to the amendment has just been read at the desk.

Mr. UNDERWOOD. I see no objection to the amendment to the amendment. It carries out my original intention to limit the profit to 8 per cent.

The PRESIDENT pro tempore. The Chair will again put the question on the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is now upon the substitute offered by the Senator from Alabama for the amendment reported by the committee.

Mr. HOWELL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Fernald	Jones, Wash.	Ralston
Ball	Ferris	Kendrick	Reed, Pa.
Brookhart	Fess	Keyes	Robinson
Broussard	Fletcher	King	Sheppard
Bruce	Frazier	Ladd	Shipstead
Cameron	George	McNary	Smoot
Capper	Gerry	Mayfield	Spencer
Couzens	Gooding	Moses	Stanfield
Cummins	Hale	Neely	Underwood
Curtis	Harris	Norris	Wadsworth
Dial	Harrison	Oddie	Walsh, Mont.
Dill	Hedlin	Overman	Warren
Edge	Howell	Owen	Watson
Edwards	Johnson, Calif.	Pepper	Willis

The PRESIDENT pro tempore. Fifty-six Senators have answered to the roll call. There is a quorum present.

Mr. BRUCE. Mr. President, I should like to offer at this stage one of the amendments which I have sent up to the desk.

The PRESIDENT pro tempore. The Senator from Maryland offers an amendment, which will be stated.

The READING CLERK. It is proposed to strike out the words "and for the production of fertilizers and other useful products in time of peace," in lines 9 and 10, page 2, section 1, and to substitute therefor the words "and for the production and sale in time of peace of nitrogen and surplus electric power created at said plants."

Mr. BRUCE. Mr. President, just briefly, the effect of this amendment is to exclude the Government or any lessee from the Government under the Underwood substitute from establishing a full commercial factory or factories at Muscle Shoals. The amendment does not affect the right of the Government or its lessee to produce and sell nitrates to the trade that is interested in manufacturing full commercial fertilizer, nor does it affect the power of the Government or the lessee under the Underwood substitute to produce and sell power. The only effect of it, as I have said before in the course of discussion with reference to this substitute, is to prevent the Government, so far as the manufacture of full commercial fertilizer is concerned, from entering into competition with its own citizens.

I ask for the yeas and nays on the amendment, Mr. President.

Mr. UNDERWOOD. Mr. President, I should like to say just a word on this amendment. I shall detain the Senate only a moment.

I am sorry I can not agree with my friend from Maryland [Mr. BRUCE] in regard to the amendment. As I understand his amendment, it would authorize the corporation or the lessee of this plant to make the raw material for fertilizer, but would not let it carry it into the finished product. I think if that were carried out the Government or the lessee would find itself in a condition where the trade would dictate the terms of its manufacture, or refuse to buy from it entirely, and thus shut down a plant that is organized primarily for the development of nitrogen for national defense. I do not think we can afford to limit the power either of the Government or of the Government's lessee in this regard, and therefore I am opposed to the amendment.

Mr. FESS. Mr. President, I did not rise to speak on the amendment. However, I will take the time to say that I shall vote against it, because it goes to one of the very features of this great plant, and it strikes me that it would be denying to the people of the country what otherwise, if we should lease the plant or operate it by the Government, ought to be secured to the people. Therefore, I am opposed to the amendment offered by the Senator from Maryland [Mr. BRUCE].

Neither do I oppose general investigations such as that proposed by the resolution of the Senator from Nebraska [Mr. NORRIS] if offered to secure information as a basis of legislation. We were drawn into a little colloquy on the discussion of this resolution that went somewhat afield from the subject before the Senate. However, I should like to state that I am not opposed to any legitimate investigation the purpose of which is to secure facts upon which this body might legislate. I am, however, opposed to any sort of an investigation that does not result in definite information for the purposes of legislation or that looks to the disintegration of effort in the creation of wealth.

The Senator really put in my mouth, in the manner of his questioning and his answers, some statements which, if attributed to the Senator from Ohio, would not be quite accurate in

the information that he wanted to give to the Senate. I am not opposed to proper governmental regulation. The facts are that the Government does regulate industry. The Government in some respects controls certain industries. I never have been opposed to legitimate regulation. On the other hand, I recognize that the normal tendency of modern industry is to augment its power, to increase its dimensions. It naturally reaches out into the realm of the power that it exercises over the public in supplying the needs of the public, and from that very inherent quality Government regulation may be necessary.

That is suggested by our policy in regard to the railroads. The truth of the matter is that when in 1887 the Interstate Commerce Commission was originally created, there was some objection to it because it was thought it might interfere with the legitimate progress of transportation; but the argument against the creation of that commission was not nearly so strong as the argument for it. When the commission was created and began to function, we noted that as the transportation interests increased the powers of the commission also necessarily increased; and from time to time the Government amended the law creating the commission, never taking any power away from it, but constantly increasing its power, which was inevitable as a policy of Government regulation. So today the commission goes to the extent even of regulating rates, which is the very lifeblood of any enterprise; for when you take away the power to determine what the income shall be, you have largely struck at the very heart of the prosperity of that industry. We have even gone further, and not only do we determine what the railroads may take in, but through the transportation act of 1920 we have created a Labor Board which in its functions may be interpreted as determining in a degree what the railroads shall be required to pay out. So that on the question of this great public utility, the transportation of the country, the Government from time to time, from 1887 up to the present hour, has increased its function of regulation.

Just now there is before our committee, of which the President pro tempore of the Senate is the most distinguished member, a proposal to concentrate or consolidate the railroads into a few divisions. That is counter to what we otherwise had passed in the Sherman anti-trust law, which indicates that regulation has gone to the point where it has overreached itself, so that now we are trying to cure some of the defects of that legislation. I mention this to indicate that the policy of this Government is not against governmental regulation of public utilities, but, on the other hand, it has been the policy now for nearly a third of a century.

Mr. President, a great deal has been said about the transportation act of 1920. One of the erroneous statements that are constantly made on the rostrum and on the public platform is that the transportation act of 1920 guarantees a specific income to the railroad industry. Over and over again that statement has been corrected, but as often as it is corrected it is repeated; and when we come to the point of decisively stating whether or not there is any guaranty I do not think the statements on the floor of the Senate in this debate rise quite to the dignity of what ought to be expected in this body, for the mere bantering of words or passing from lip to lip sharp statements that do not go to the argumentation of the subject at all is not argument, and does not prove anything except that it is a very poor case that is being presented.

I mention this effort simply to indicate that there is a cult going through the country, frequently voiced in this Chamber, trying to promulgate the idea that the Government ought to take over various industries, including such as transportation. Then the next step will be the nationalization of the mines, and, ultimately, all public utilities.

Mr. President, I am opposed to such a policy. I am not opposed to governmental regulation. I am opposed to governmental strangulation, and I am opposed also to Government operation wherever the business can be conducted by private enterprise. The law of modern life is concentration. Every argument for the growth of industry argues for concentration, and when we forbid it we are apt to go to the point where we will want to amend, later on, what we have done, as in the case of consolidation in transportation. Nevertheless, with combination or concentration as the law of the hour, it would be decidedly unwise to put no limit upon the powers of concentration. The law should be, let concentration proceed, but under proper governmental regulation. That is what we have done. That is what we are doing in the subject pending before the Senate. We have here one of the largest plants that has come to the recognition of legislation, and the only question is whether it is to be operated

by the Government as a Government industry, with the Government taking all the risk, and, if unprofitable, letting the Government pay the losses, or whether we should make a lease of the property under proper limitations, securing to the public the rights that the public are entitled to, and in those limitations, both in time and in conditions, making it so that if at the end of the tenure we do not want to continue it under the contract we can recapture it, release it, or proceed to operate it by the Government—the policy to be determined by whatever the wisdom of the time and experience would indicate.

Mr. President, to my mind that is the sensible view to take. I understand the angle of the opposition. It is the growth in the sentiment in favor of public ownership, and this may make an impression upon the Senate; but I assure you that it will not make an impression upon the country. The country has some knowledge of what has been undertaken in Russia, where Government has displaced private enterprise. It is acquainted with the policy in Canada in railroad transportation and what has been experienced in Europe generally in railroad transportation. To me there is one great danger in Government operation, and that is especially the loss of initiative, which is individual, not political.

I raised the question a moment ago, when the Senator from New Jersey [Mr. Edge] was speaking on private industry. I learn from statistics that the inventions and discoveries of a single man who is still living, Thomas A. Edison, do now, in their various applications to industry, represent a wealth that will measure over sixteen billions of dollars. You find it in motor power, in trolley, interurban, and automobile; you find it in the moving-picture enterprise; you find it in the telephone, the phonograph; you find it in wireless telegraphy and the radio; you find it in the application of electricity to a hundred or more different divisions or branches of those investigations. When we accumulate all these different industries developed under private initiative, where organization of capital is permitted, where some reasonable profit is allowed, where it is known that if a loss is suffered a profit may be realized in later development to care for the loss, and in the active experience of a single living inventor there has been more development and more wonderful achievements than the most miraculous of ancient times. I should like to know how far we would have gotten with this evolution if the dead hand of the uniform life of governmental activity had throttled the initiative that has blossomed out here in this remarkable development.

That is only one example of what we have seen developed in our own country. It can be duplicated in a lesser degree in a thousand instances, and yet certain people are constantly pointing to the wickedness of our Government in its policy of private development of industry, charging the watering of stock as the acme of evil in wicked industry. I have heard that banded from one side to the other, from lip to lip, and I have constantly raised the question how that in any great degree will modify the cost of the operation of the industry; even if the statement is accurate, which I do not concede it to be, I can understand the objection to it. Watered stock certainly will lessen the value of the property, and securities based upon watered stock will have no value in the current markets of the country, because it is an attempt to sell fictitious values, which should be avoided; but that is a loss to the owners of the stock and affects that part of the public who are led to purchase such stock. It is not an argument against private enterprise.

There is another thing I would like to say, Mr. President. When we are constantly being referred to what some other country does as an example of what we ought to do, I like to compare the condition of the people of our country with the condition of the peoples of the countries which are used in the comparison. Let us take the most stable country, Great Britain, with her 35,000,000 people. We find only 100,000 of them who pay income taxes, and yet the exemption under the income tax in Great Britain is much lower than we have in our own country. Here in America, with a much higher income exemption, we have over 6,660,000 citizens paying income taxes out of the hundred and more millions of people here.

Mr. President, we have in this country of ours laboring men who own their own homes to a number three and a half times as great as the total number of people in Britain who own their homes, including rich and poor, without reference to whether the occupant of the home has a big income or a small one. Mark you, the homes owned in America by laboring people are three and one-half times all the homes owned in Britain by all her people. Yet we hear disparaging mention, in comparisons of our country with others, when argument is

on such as has held the attention of this Chamber on Muscle Shoals.

There are in the savings banks of this country deposits from over 13,000,000 American citizens. Those represent our laboring people, and those 13,000,000 and more depositors deposit over \$7,000,000,000 in these savings banks. Mr. President, seven billion is more than three times the total capitalization of all the banks in the United States—Federal and State as well as trust companies. These savings accounts are from the people who are employed by these wicked corporations. We are told that the poor, downtrodden American public is suffering from the vicious legislation which permits the growth and prosperity of industry in the land. We are admonished that the Government must either forbid this industrial development by law or drive it out of existence by the Government entering into competition with it.

I want American initiative open. I want America to remain the open door of opportunity. I want every boy and girl, every man and woman to realize that America is the place of equal opportunity in the rivalry of life, and it makes no difference whether they come from a family of wealth or from a family of poverty. In this country, against which we now and then hear utterances such as a few moments ago, the laborer of to-day is the employer of to-morrow, and the one great incentive that drives on to success in America is the absolute certainty that with reasonable frugality and industry as against indolence and extravagance every man and every woman who is willing to pay the price can look forward to the time when he will not only become the owner of a home but can be reasonably sure to be the director of a business. That leads to initiative in industry.

I want to keep that opportunity open, and while I would not object if now and then the Government went into a business that was wholly monopolistic in order that there might not be any advantage taken of the public, I think it is dangerous to abandon private industry, where accomplishment and achievement are open to all; to abandon it and agree that ultimately we will all be pensioners of the Government, when Uncle Sam will be the only employer, is the most unwise of suggestions. We will then depend upon the politics of whatever administration it might be to determine whether we shall have this or that place.

Mr. President, I am opposed to Government ownership of this particular industry, as I am opposed to such ownership of every other industry in which private initiative can be employed, and I have no sympathy whatever with the effort to prejudice the minds of the public and feed the socialism of America, for God knows we have enough of it at the present time.

Mr. KING. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. KING. I think the Senator in examining his remarks will feel constrained to modify one observation which he submitted, if I interpreted his statement aright. As I understood the able Senator, while he did not condone the issuance of watered stock, he expressed the view that the loss, if any, did not fall upon the people. I submit to the able Senator that the issue of watered stock has been a serious evil, has been a menace in some instances, to the stabilization of industry.

Mr. FESS. I agree with the Senator in that statement that it has been a menace to the stabilization of industry.

Mr. KING. The watering of stock has resulted in fleecing and robbing the public, and in many instances where the corporations were related to the public, such as the railroads of the country, and the street railways, the cost has fallen upon the people in increased charges which they have had to meet. The Senator is familiar with the fact that many corporations—for instance, the electric light companies—have issued stock in excess of what was fair for the purpose of taking over subsidiary corporations. They have, of course, added the stock which they have issued and the bonds which they have issued to the aggregate issues, and the total has been the basis of ultimate charges which they have imposed upon the people. So that these fictitious issues of stock ultimately are reflected in higher prices, which the people are compelled to pay, and to such an extent has this evil grown that in many States, as the Senator knows, blue sky laws have been enacted for the purpose of protecting people, because the people have bought these fictitious stocks, and the fictitious stocks have been used before public utilities commissions as the bases for dividends, for charges, and so on, and have been reflected in increased rates, which the public have been compelled to meet.

I am sure the Senator did not mean to leave the impression that he justified a policy that would permit watered or fictitious issues of stock, nor did he mean to convey the idea, which I am

sure his remarks did—at least they did to me—that the public would not suffer by reason of such fictitious issues.

Mr. FESS. Mr. President, I can satisfy the Senator by a mere statement. I was a member of the last constitutional convention of Ohio. We adopted the first blue sky provision of the country, and it was not for the protection of the public so much as it was for the protection of that part of the public that bought what really did not exist, namely, stock that was not represented by real value, which would be watered stock. We adopted that provision against the tremendous opposition of people who said, "You want to protect people who ought to have more sense than to buy." I admit I voted for that provision, and would vote for it now. I would vote for the national blue sky proposal that has been in this body and the other body for some time, but has not become a law.

APPROPRIATIONS FOR TREASURY AND POST OFFICE DEPARTMENTS

Mr. WARREN. From the Committee on Appropriations I report back favorably with amendments the bill (H. R. 10982) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1926, and for other purposes, and I submit a report (No. 835) thereon. I wish to state that I shall take the first opportunity to bring the bill before the Senate for its consideration.

The PRESIDING OFFICER (Mr. FRAZIER in the chair). The bill will be placed on the calendar.

RECLASSIFICATION OF POSTAL SALARIES

Mr. MOSES. Mr. President, from the Committee on Post Offices and Post Roads I report back favorably with amendments the bill (S. 3674) reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes.

This is the much discussed postal salaries and postal rates bill, and I give notice that to-morrow at some opportune moment in the discussion of the Muscle Shoals measure I shall take occasion to expound some of the provisions of this bill to the Senate.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

OHIO RIVER BRIDGE BETWEEN INDIANA AND KENTUCKY

Mr. WILLIS. Mr. President, on the calendar day of December 30 the Senate passed the bill (S. 3350) granting the consent of Congress for the construction of a bridge across the Ohio River between Vanderburg County, Ind., and Henderson County, Ky., as appears from the CONGRESSIONAL RECORD, page 994. Upon examination I find that an identical measure was passed by the Senate in the last session of the present Congress, that it passed the House, and is now a public act. A copy of that act I have in my hand. It was approved June 7, 1924. I therefore ask unanimous consent that the action of the Senate in passing Senate bill 3350 on the 30th of December last be now reconsidered.

The PRESIDENT pro tempore. Did the Senator state that a similar bill has become a public law?

Mr. WILLIS. This bill is identical with one which has been enacted into law. I am unable to explain how it happened. It was not my bill, but was introduced by the Senator from Idaho. On last Wednesday the Senate passed exactly the same measure which it had passed at the last session, and subsequently the first bill was passed by the House and is now a public act.

The PRESIDENT pro tempore. The Senator from Ohio asks that the vote by which the Senate, on the 30th of December, 1924, passed Senate bill 3350 be reconsidered. Is there objection? The Chair hears none, and it is so ordered.

Mr. WILLIS. I now ask that Senate bill 3350 be indefinitely postponed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Ohio? The Chair hears none, and the bill will be indefinitely postponed.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

LOUIS LEAVITT

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 88) for the relief of Louis Leavitt, which was to strike out all after the enacting clause and to insert:

That Louis Leavitt, of Brooklyn, N. Y., is hereby authorized to bring suit against the United States to recover damages for any loss or losses which he may have suffered through action by governmental agencies, acting under authority of the Government, had in connection with the purchase by Louis Leavitt of surplus goods of the War Department and which were referred to in the opinion of the Attorney General dated December 23, 1921. Jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, consider, and determine such action upon its merits and according to the law which governs the principles of liability that prevail between private parties, but only so far as is herein indicated, and in accordance with the practice pertaining to such action between private parties, and to enter decree or judgment against the United States for the amount of such damages as may be found due to said Louis Leavitt, if any: *Provided, however,* That such right to sue, as is hereby granted, shall not apply to any interest, nor to any claim for damages resulting from any criminal prosecution of the said Louis Leavitt on a charge of violating the penal laws of the United States: *Provided,* That such action shall be brought and commenced within four months from the date that this act becomes effective.

SEC. 2. That upon final determination of such cause, if a decree or judgment is rendered against the United States, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, a sum sufficient to pay final judgment, which shall be paid to said Louis Leavitt or his duly authorized attorneys of record by the Secretary of the Treasury upon the presentation of a duly authenticated copy of such final decree or judgment.

Mr. WADSWORTH. I move that the Senate concur in the House amendment.

The motion was agreed to.

RECESS

Mr. CURTIS. I move that the Senate take a recess until tomorrow at noon.

The motion was agreed to; and (at 4 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Saturday, January 3, 1925, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 2, 1925

COLLECTOR OF INTERNAL REVENUE

Edward E. Guichtel, of Newark, N. J., to be collector of internal revenue for the fifth district of New Jersey, in place of Frank C. Ferguson, resigned.

UNITED STATES CIRCUIT JUDGES

Charles H. Moorman, of Kentucky, to be United States circuit judge, sixth circuit, vice L. E. Knappen, retired.

Albert B. Anderson, of Indiana, to be United States circuit judge, seventh circuit, vice Francis E. Baker, deceased.

UNITED STATES DISTRICT JUDGES

Robert C. Baltzell, of Indiana, to be United States district judge, district of Indiana, vice Albert B. Anderson, nominated to be circuit judge, seventh circuit.

Charles I. Dawson, of Kentucky, to be United States district judge, western district of Kentucky, vice Charles H. Moorman, nominated to be circuit judge, sixth circuit.

APPOINTMENT IN THE REGULAR ARMY

MEDICAL DEPARTMENT

Col. James Denver Glenman, Medical Corps, to be assistant to the Surgeon General, for a period of four years from date of acceptance, with the rank of brigadier general from February 9, 1925, vice Brig. Gen. Robert E. Noble, Assistant Surgeon General, to retire February 8, 1925.

APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY TO BE BRIGADIER GENERAL, OFFICERS' RESERVE CORPS

George Emerson Leach, brigadier general, Minnesota National Guard.

POSTMASTERS

CALIFORNIA

Edward F. Wilson to be postmaster at Veterans Home, Calif., in place of J. W. Beck, deceased.

CONNECTICUT

William H. Russell to be postmaster at Southport, Conn., in place of W. H. Russell. Incumbent's commission expired August 1, 1923.

GEORGIA

R. Gordon Riggs to be postmaster at Register, Ga., in place of R. G. Riggs. Office became third class October 1, 1924.

ILLINOIS

William Busse, jr., to be postmaster at Mount Prospect, Ill., in place of William Busse, jr. Office became third class October 1, 1924.

INDIANA

Myrtle A. Schreiber to be postmaster at New Palestine, Ind., in place of M. A. Schreiber. Office became third class October 1, 1923.

KANSAS

Guy W. Bryan to be postmaster at Delia, Kans., in place of G. W. Bryan. Office became third class October 1, 1924.

Henry N. Van Doren to be postmaster at Deerfield, Kans., in place of M. E. Bacon, resigned.

MINNESOTA

Niels F. Petersen to be postmaster at Tyler, Minn., in place of J. J. W. Hogue. Incumbent's commission expired June 5, 1924.

Mae C. McDonald to be postmaster at Warroad, Minn., in place of F. T. Moody, deceased.

Joseph L. Gilson to be postmaster at Ivanhoe, Minn., in place of W. N. Johnson, resigned.

MISSOURI

Lonnie W. Hoover to be postmaster at Princeton, Mo., in place of Clate Cox. Incumbent's commission expired June 4, 1924.

Margaret M. Enis to be postmaster at Clyde, Mo., in place of J. A. Voelker. Incumbent's commission expired June 5, 1924.

Frank B. Veatch, jr., to be postmaster at Braymer, Mo., in place of J. S. Divebliss. Incumbent's commission expired June 5, 1924.

John N. Hunter to be postmaster at Holt, Mo., in place of J. N. Hunter. Office became third class October 1, 1924.

MONTANA

William Fraser to be postmaster at Three Forks, Mont., in place of William Fraser. Incumbent's commission expired May 10, 1924.

Alma M. Engle to be postmaster at Somers, Mont., in place of Peter Myre, resigned.

NEVADA

Mildred Robison to be postmaster at Overton, Nev., in place of Mildred Robison. Incumbent's commission expired June 4, 1924.

NEW YORK

John A. Crager to be postmaster at Hagaman, N. Y., in place of W. D. Carpenter, resigned.

PENNSYLVANIA

George A. Needle to be postmaster at Parkers Landing, Pa., in place of William Leslie. Incumbent's commission expired August 5, 1923.

Mary M. Sieber to be postmaster at Aspers, Pa., in place of M. M. Sieber. Office became third class April 1, 1924.

RHODE ISLAND

Elmer Lothar to be postmaster at Warren, R. I., in place of John McPike. Incumbent's commission expired June 4, 1924.

TEXAS

Lynn E. Slate to be postmaster at Sudan, Tex., in place of L. E. Slate. Office became third class October 1, 1924.

Ernest H. Duerr to be postmaster at Runge, Tex., in place of W. A. Garner. Incumbent's commission expired October 24, 1922.

VERMONT

Oscar N. Washer to be postmaster at Irasburg, Vt., in place of O. N. Washer. Office became third class October 1, 1924.

VIRGINIA

John A. Johnston to be postmaster at Petersburg, Va., in place of J. A. Johnston. Incumbent's commission expired April 13, 1924.

Laura L. Keeler to be postmaster at Middleburg, Va., in place of L. L. Keeler. Incumbent's commission expired August 15, 1923.

Wade H. Hash to be postmaster at Trout Dale, Va., in place of W. H. Hash. Office became third class April 1, 1924.

Helen T. Munt to be postmaster at Surry, Va., in place of C. G. Rowell, resigned.

William W. Allmond to be postmaster at Allmondsville, Va., in place of W. W. Allmond. Office became third class April 1, 1924.

WASHINGTON

Blanche E. Lambert to be postmaster at Ione, Wash., in place of Elmer Thackston. Incumbent's commission expired February 11, 1924.

Esther C. Bosma to be postmaster at Peshastin, Wash., in place of J. A. Smith, resigned.

WEST VIRGINIA

August E. Marschner to be postmaster at Wheeling, W. Va., in place of W. H. Marshall, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 2, 1925

COLLECTOR OF INTERNAL REVENUE

Edward E. Gnichtel to be collector of internal revenue for the fifth district of New Jersey.

POSTMASTERS

NEW YORK

Robert E. Brown, Almond.
Anna M. Ball, Berkshire.
John Sparks, Eldred.
Lee G. Ayers, Richford.

PENNSYLVANIA

Ursula Shelley, Richfield.
Viola M. Truax, Robertsedale.

SOUTH DAKOTA

Earl F. Vandenburg, Conde.
Norman Lockwood, Doland.
Levi J. Thomas, Ipswich.

WEST VIRGINIA

John W. Lamon, Bunker Hill.
Lewis E. Winston, Ethel.
Martin B. Taylor, Gauley Bridge.
John Brash, Glen Jean.
William B. Murray, Minden.
Edward M. Tucker, Moorefield.
Conrad H. Forst, Mount Hope.
Arthur N. McKeever, Romney.

HOUSE OF REPRESENTATIVES

FRIDAY, January 2, 1925

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, unto Thee we lift our hearts in confession, praise, and gratitude. Thou who art and evermore shall be, continue to feed our minds with wisdom and understanding. May we never count ourselves independent of the infinite source of truth and all knowledge. By entreaty we would ask that our minds may be steadfastly fixed for the best purposes and for the noblest ends. May we so value life that we may constantly realize it to be an everlasting echo of that life without end. Be near us and we shall have no fear; let Thy light be about us and we shall see no darkness; rule in us and sin shall lose its power. Amen.

CALL OF THE HOUSE

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. It is clear that there is no quorum present.

Mr. SNELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 17]

Ackerman	Browne, Wis.	Connolly, Pa.	Drewry
Anderson	Brumm	Cornling	Driver
Arnold	Buckley	Crosser	Eagan
Bacharach	Butler	Crowther	Edmonds
Beck	Carew	Cullen	Fairchild
Beers	Carter	Curry	Fairfield
Berger	Casey	Dallinger	Fenn
Bixler	Celler	Davey	Fish
Black, N. Y.	Christopherson	Deal	Fitzgerald
Bland	Clancy	Dempsey	Fredericks
Bloom	Clark, Fla.	Denison	Free
Bowling	Clarke, N. Y.	Dickstein	Freeman
Boylan	Cole, Ohio	Dominick	Fulbright
Brand, Ga.	Collins	Doughton	Fulmer
Britten	Connally, Tex.	Doyle	Gallivan
Browne, N. J.	Connery	Drane	Gambrill

Garber	Lehlbach	Peavey	Sproul, Kans.
Garrett, Tenn.	Lindsay	Peery	Stalker
Geran	Linthicum	Perlman	Steagall
Gifford	Logan	Phillips	Sullivan
Glatfelter	Lowrey	Porter	Sweet
Goldsborough	Lyon	Pou	Swoope
Graham	McLeod	Quayle	Taber
Green	McNulty	Ransley	Tague
Greenwood	McSwain	Reece	Taylor, Colo.
Griffin	McSweeney	Reed, Ark.	Thompson
Hall	MacLafferty	Reed, N. Y.	Tinkham
Hammer	Manlove	Reed, W. Va.	Tucker
Hastings	Mansfield	Richards	Tydings
Hawes	Martin	Roach	Upshaw
Haugen	Mead	Robison, Ky.	Valle
Holaday	Merritt	Rogers, Mass.	Vare
Howard, Nebr.	Michaelson	Rogers, N. H.	Ward, N. C.
James	Miller, Ill.	Rouse	Ward, N. Y.
Johnson, Wash.	Mills	Sabath	Weaver
Johnson, S. Dak.	Minahan	Salmon	Weller
Jost	Mooney	Sanders, Ind.	Welsh
Kearns	Moore, Ill.	Schafer	Wertz
Kendall	Morin	Schall	Wilson, Ind.
Kent	Nelson, Wis.	Scott	Winslow
Kless	O'Brien	Seger	Wolff
Kindred	O'Connell, N. Y.	Shallenberger	Woodrum
Kunz	O'Connell, R. I.	Sherwood	Wright
LaGuardia	O'Connor, La.	Shreve	Yates
Langley	O'Connor, N. Y.	Sites	Zihlman
Larsen, Ga.	O'Sullivan	Smithwick	
Larson, Minn.	Oliver, N. Y.	Snyder	
Lee, Ga.	Patterson	Spearing	

The SPEAKER. Two hundred and forty-one Members have answered to their names, a quorum.

Mr. LONGWORTH. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

THE JOURNAL

The Journal of the proceedings of Wednesday, December 31, 1924, was read and approved.

ARMY APPROPRIATION BILL

Mr. ANTHONY, by direction of the Committee on Appropriations, reported the bill (H. R. 11248, Rept. No. 1071) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1926, and for other purposes, which was read a first and second time, and, together with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. HARRISON. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. The gentleman from Virginia reserves all points of order.

BARKLEY-HOWELL BILL

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to address the House for five minutes. Is there objection?

There was no objection.

Mr. BARKLEY. Mr. Speaker, for the benefit of Members of the House and others who are interested in the railroad labor bill, known as the Howell-Barkley bill, I desire to make a short statement.

We are all familiar with the proceedings which took place in the last session of Congress with reference to this bill—the discharge of the committee, the ruling that the bill could be considered only on the first and third Mondays in each month, and the filibuster which prevented its consideration even on those days.

There were two days of the present session when it would have been in order to consider the bill in the House, December 1, the opening day of the session, and December 15, the day set apart for memorial services in honor of Woodrow Wilson. It was obviously impracticable to take up the measure on either of those days.

Next Monday, January 5, is the next day on which consideration of the bill might be sought in the House.

The companion bill to this measure, introduced in the Senate by Senator HOWELL, of Nebraska, was favorably reported at the last session, with some small amendments, by the Senate Committee on Interstate Commerce, and is now on the Senate Calendar with a favorable report.

I am advised that the chances for early consideration of the bill in the Senate are good. I am also advised that members of the Senate committee, and other friends of the bill there, are seeking, with fair chance of success, to compose any existing difference of opinion regarding amendments proposed by the Senate committee, in the hope of securing harmonious action and satisfactory consideration of the bill in the Senate.